

## HOUSE OF REPRESENTATIVES

SATURDAY, JANUARY 28, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Lord God of the Ages, the eyes of whose glory can not look upon iniquity, be merciful unto us. Increase our faith that we may have rest and quiet in the discipline of life. May its light never fade into darkness, nor its goodness lose its vitality. O, may we magnify the grace of our God in the spirit of the deepest gratitude. With self-restraint and with true hearts may we bend ourselves to our country's need; live in fellowship with our people and in the service of this day. Bless the Congress with unity of purpose, vision, and motive. Stir our whole land with a great awakening; bring it to a realization that impoverishment, social suffering, and bereavement will pass by and that our Republic shall not be caught in the iron mesh of some remorseless fate. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 14436. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 243. Joint resolution authorizing the President of the United States to extend a welcome to the Pan American Medical Association which holds its convention in the United States in March, 1933.

## MINING ON THE PUBLIC DOMAIN

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 4509) to further amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," with House amendments, insist upon the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. Evans of Montana, Yon, and Colton.

## COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the bill (S. 636), to convey certain land in the county of Los Angeles, State of California, be rereferred to the Committee on Military Affairs.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

## CONSPIRACY TO CONTINUE DEPRESSION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I believe that the depression will continue until certain parties like the Mellons and Morgans can secure desirable properties at their own prices, if they continue to have their way. It represents a deliberate conspiracy to defraud the American people. Andrew W. Mellon is still running this country. He and his brother own and control \$8,000,000,000 in money and property, which is several billion dollars more than the amount of

money in circulation in the entire Nation. The Department of Justice has had several pillow fights with the Mellon companies.

## TAX EVASIONS AND BANKRUPTCY SALES

One of the Mellon companies, in order to evade income taxes, accumulated a reserve of more than \$600,000,000 during Andrew W. Mellon's tenure in office; this reserve was on hand when the depression started; two-thirds of it has already been used to purchase the distressed properties of competitors and other properties and now although it has a reserve of more than \$200,000,000, it has recently passed a dividend payment so additional distress properties may be secured at bankruptcy prices.

## NO APPOINTMENT OF MELLON-MORGAN GROUP

I hope the incoming administration does not have an official in it who is in any way directly or indirectly connected with this Mellon-Morgan group. Our Nation is being destroyed by them.

## INVESTIGATION OF TREASURY DEPARTMENT AND MONETARY SYSTEM

During the first session of the Seventy-second Congress I introduced a resolution to have a committee of the House investigate the Treasury Department, Federal Reserve Board, the monetary, banking, currency, and fiscal affairs of the United States in their entirety. This resolution was considered by the Rules Committee but favorable action was denied; the committee after considering the matter had a tie vote on its adoption. At this session favorable action can not be expected because the committee, if appointed before the expiration of this session, could not function after March 4, 1933, since the terms of office for all Members of the House expire at that time. I expect to urge favorable consideration of such a resolution at the coming special session of Congress.

## FREE USE OF MONEY FOR A FEW

I believe that such an investigation will show that a few powerful bankers are using free of charge the money issued by the Government; that this money has a coverage of from 2 cents to 40 cents on the dollar, and that the people are charged from 5 per cent to 30 per cent annual interest for its use. The money represents a mortgage on all the homes and other property of all the people in the Nation. The credit of the Government should not be farmed out to private bankers; but if it is, certainly a reasonable charge should be made for the use of it.

## BILLIONS TO LARGE TAXPAYERS

Such an investigation will show further that billions of dollars have been refunded to large income-tax payers during the last 12 years, and that a substantial part of this money has been illegally refunded; that tens of millions of dollars were refunded by Mr. Mellon, the Secretary of the Treasury, to himself, the private citizen Mr. Mellon, and to his wealthy corporations. These refunds can not be investigated by a Member of Congress; the records are secret. Secrecy is a badge of fraud. No honest man should desire the privilege of secretly administering the tax laws of our country, and no dishonest man should be allowed that privilege.

## PUBLICITY OF TAX RETURNS

I doubt that the Budget would be unbalanced if all tax returns had been subject to public inspection. When a proper investigation is made I believe it will cause the collection of hundreds of millions of dollars.

## EXTENSION OF REMARKS

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to have inserted in the Record a telegram from the mayor of the city of New York dealing with the bankruptcy bill.

Mr. UNDERHILL. Mr. Speaker, I object.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR  
APPROPRIATION BILL, FISCAL YEAR 1934

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14363) making appropriations for the Departments of State and Justice, and for the judiciary, and for

the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes. Pending that, for the information of the House, I may say that so far as I know, we should finish reading the bill in a short time, there being no other items in the bill which are likely to provoke lengthy discussion, and there are but a few pages remaining.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. DYER. Can the gentleman tell the House now whether or not he expects to ask for separate votes on the amendments that have been adopted in the committee?

Mr. BLANTON. Why not?

Mr. OLIVER of Alabama. Just as soon as we finish reading the bill I will make a statement.

The SPEAKER. The question is on the motion of the gentleman from Alabama that the House resolve itself into the Committee of the Whole House on the state of the Union for further consideration of the bill H. R. 14363.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14363, with Mr. OLIVER of New York in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

For the Commissioner of Patents and other personal services in the District of Columbia, \$3,176,250: *Provided*, That of the amount herein appropriated not to exceed \$25,000 may be used for special and temporary services of typists certified by the Civil Service Commission, who may be employed in such numbers, at \$4 per diem, as may, in the judgment of the Commissioner of Patents, be necessary to keep current the work of furnishing manuscript copies of records.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that we may return to page 35, line 1, for the purpose of offering an amendment so as to make this appropriation conform to what was done in reference to the Atlanta Prison as to funds that might be expended for salaries.

Mr. GOSS. Mr. Chairman, reserving the right to object, I would like to hear a statement from the gentleman from Alabama as to the proposed amendment.

Mr. OLIVER of Alabama. The gentleman from Georgia yesterday submitted an amendment which sought to increase the amount that might be paid for salaries of employees at the prison in Atlanta, without increasing in any way the appropriation, the need for it being that it was probable they might find it necessary to employ a few additional guards. So I consented that the amount should be increased by \$20,000.

In order that we might place Leavenworth, which has a like request, on the same basis, I am now asking unanimous consent to return to page 35, so as to increase, without increasing the appropriation, the amount that may be expended for this purpose, \$30,000. The population of the Atlanta prison is about 3,000, while that in the two prisons at Leavenworth is now approximately 4,800.

Mr. STAFFORD. Does the same situation exist in reference to other penitentiaries?

Mr. OLIVER of Alabama. No; only at these two at present.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. LAGUARDIA. Lest it might be misunderstood, this money is not required to complete, repair, or add to any existing institution?

Mr. OLIVER of Alabama. No; it is not.

Mr. LAGUARDIA. It is surplus, and it would be utilized for another item.

Mr. OLIVER of Alabama. In other words, if they find they can make savings from funds already approved, the savings may be used for this very helpful purpose of providing some relief to the guards that are now employed.

Mr. GOSS. Can the gentleman assure us there will be no other amendment to this amendment?

Mr. OLIVER of Alabama. I have heard of none.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama: Page 35, line 1, strike out "\$591,500" and insert in lieu thereof "\$623,500."

The CHAIRMAN. The question is on the amendment of the gentleman from Alabama.

The amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to return to page 41 of the bill.

The CHAIRMAN. May the Chair call the gentleman's attention to the fact that we passed over a paragraph on page 29, dealing with the subject of salaries of clerks of court.

Mr. OLIVER of Alabama. Mr. Chairman, I think as soon as the proposed amendment on page 41 is disposed of disposition of the other paragraphs may follow.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to return to page 41, line 3, for the purpose of offering an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama: On page 41, after line 3, insert a new paragraph, as follows:

"In addition to the appropriations herein made for 'salaries and expenses, clerks of courts, salaries and expenses of district attorneys, and so forth,' and 'enforcement of antitrust laws,' the sum of \$175,000 of the unexpended balance of the appropriation 'Federal jails, construction,' contained in the act making appropriations for the Department of Justice for the fiscal year 1932, is hereby made available for the fiscal year 1934, for the purposes enumerated in such appropriations and in such amounts as the Attorney General, in writing, may designate."

Mr. STAFFORD. Mr. Chairman, I reserve the right to object so as to give the gentleman an opportunity to explain the purpose of the amendment.

Mr. OLIVER of Alabama. Mr. Chairman, this amendment was shown to gentlemen on both sides of the aisle who had expressed interest in the amounts recommended by the committee for the payment of clerks, district attorneys, and for the enforcement of the antitrust laws.

I stated in my opening remarks that some of the amounts recommended for the Department of Justice were mere estimates and could not be more than that. Sometimes the business before the courts is much heavier than can be anticipated, and out of abundant precaution I stated I would offer later, with the consent of the committee, an amendment that would make possible an increase in these appropriations, if, in the judgment of the Attorney General, it was found necessary. Some years ago the House appropriated \$1,500,000 for the purpose of building Federal jails. Your committee has tried to hold this construction down. This year we have refused to recommend to the House any new construction for 1934 and have already taken from this continuing appropriation, with your approval, a sum sufficient to complete the prison at Springfield, Mo.

There is left in this jail fund, which is a continuing appropriation, about the amount we now are making available for the payment of clerks, for the enforcement of antitrust laws, and for the payment of the salaries of district attorneys and assistant district attorneys with the written approval of the Attorney General, if such money is found necessary.

We will thus take from the department any temptation to spend more money in the construction of prisons at this time, and thereby will make available what doubtless will be required in 1934 because of increased business before the courts.

Mr. BRIGGS. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. BRIGGS. This is merely a reappropriation of funds?

Mr. OLIVER of Alabama. No; it does not have to be reappropriated. It is authority for the Attorney General to use a continuing appropriation for another purpose.



Mr. BRIGGS. This is to be taken from a continuing appropriation?

Mr. OLIVER of Alabama. Yes.

Mr. DYER. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. DYER. The gentleman does not want it understood that by taking some of the funds away from the Springfield institution that this is an abandonment in any way of the intention of Congress to carry out that plan?

Mr. OLIVER of Alabama. The gentleman misunderstood me. I have already added to the amount that may be expended at Springfield by taking money from this jail fund, which the House approved. There now remains unexpended in that fund an amount which, as the gentleman from New York [Mr. LaGuardia] has said, ought not to be used, and I agree with him, for further prison construction, and we are now making it available on the written approval of the Attorney General for another purpose.

Mr. GOSS. Is it not unusual to appropriate in this manner?

Mr. OLIVER of Alabama. I will not say it is unusual. We have already approved, not only in this bill but other bills, a like course. Where there is a continuing appropriation, in order that the appropriation may not be used in such way that the House would not now approve, we have sought to restrain those who had control over such appropriation by taking it from them for other purposes.

Mr. KETCHAM. Will the gentleman yield for a brief question?

Mr. OLIVER of Alabama. Yes.

Mr. KETCHAM. Having mentioned the Springfield construction proposition, has the gentleman at hand data that would enable him to inform the House what is the present condition of that project, both as to appropriation and construction?

Mr. OLIVER of Alabama. Yes. The Springfield plant will be ready for occupancy by July 1.

Mr. KETCHAM. Of this year?

Mr. OLIVER of Alabama. Yes. This is the prison hospital, the gentleman understands; and we have taken from this jail fund an amount sufficient to build quarters for the officers in charge, for the nurses' home, and for putting a fence around the prison, placing definite limitations on completed projects; and in 1934, out of funds now already appropriated, this hospital will be completed, and no further construction is contemplated.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of objection and shall ask for recognition.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. Mr. Chairman, when the paragraph on page 29, providing for salaries and expenses of clerks of courts, was under consideration, I thought the committee had made too drastic a cut under the Budget estimate.

I have examined the hearings, which show that after the reduction of  $8\frac{1}{2}$  per cent there is required for this service an appropriation of \$1,906,000. Of this amount \$1,851,000 was for personal services. It is my information that the gentleman's amendment will give to the Attorney General a reserve fund on which he may call in case the appropriation in the three items referred to have been shaved too greatly. As far as the two or three items referred to, namely, payment for United States district attorneys and enforcement of the antitrust act, the committee did not go under the Budget estimate. So I think there is a leeway of more than fifty or sixty thousand dollars where the Attorney General may have access in case of need. So I think it is advisable to agree to the amendment.

Mr. EATON of Colorado. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

At the end of the amendment offered by Mr. OLIVER, insert the following: "Provided further, That no part thereof shall be expended in connection with the manufacture of canvas-made goods at the Atlanta penitentiary."

Mr. STAFFORD. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. EATON of Colorado. Mr. Chairman, as I read the amendment as offered it is in this language:

In addition to the appropriations herein made for "salaries and expenses, clerks of courts, salaries and expenses of district attorneys, etc.," and "enforcement of antitrust laws," the sum of \$175,000 of the unexpended balance of the appropriation "Federal jails, construction," contained in the act making appropriations for the Department of Justice for the fiscal year 1932, is hereby made available for the fiscal year 1934, for the purposes enumerated in such appropriations and in such amounts as the Attorney General, in writing, may designate.

I do not know how wide this language is, but if the language is too narrow to permit of this amendment, then, of course, it is not in order. I offer the amendment in good faith for the purpose of having a restriction made on the Atlanta Penitentiary in connection with the manufacture of canvas-made goods.

Mr. LaGuardia. It has nothing to do with this appropriation. One is for construction, and the other is for the manufacture of goods.

Mr. STAFFORD. You might as well take the money out of the Treasury of the United States.

The CHAIRMAN. The Chair is ready to rule. The Chair sustains the point of order. The gentleman's amendment applies to manufacture, and there is no appropriation in this paragraph for manufacture. The amendment is not germane. The question is on the amendment offered by the gentleman from Alabama.

The question was taken, and the amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I ask the Clerk to turn to page 29 and read the paragraph beginning with line 12.

The Clerk read as follows:

Salaries and expenses, clerks of courts: For salaries of clerks of United States circuit courts of appeals and United States district courts, their deputies and other assistants, travel expenses pursuant to the subsistence expense act of 1926, as amended (U. S. C., Supp. VI, title 5, secs. 821-833), and other expenses of conducting their respective offices, \$1,856,580.

The CHAIRMAN. The Clerk will continue the reading of the bill.

The Clerk read as follows:

For investigating the question of public use or sale of inventions for two years or more prior to filing applications for patents, and such other questions arising in connection with applications for patents and the prior art as may be deemed necessary by the Commissioner of Patents; for expense attending defense of suits instituted against the Commissioner of Patents, \$700; and for expenses of attendance at meetings concerned with the work of the Patent Office when incurred on the written authority of the Secretary of Commerce.

Mr. BLANTON. Mr. Chairman, I offer the following amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 82, line 12, strike out the words "defense of."

Mr. BLANTON. Mr. Chairman, in defense of the Members who dared, in spite of threats, to go through the tellers here yesterday in opposition to the various emasculating amendments that would tend to tear down prohibition enforcement, I want to say a few words.

Mr. BOYLAN. Mr. Chairman, I make the point of order that the gentleman is not speaking to anything germane to the section.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. BLANTON. I am speaking "in defense" of those Members. I moved to strike out the words "defense of" in my amendment, which is rather a broad subject.

Mr. BOYLAN. Mr. Chairman, the language is not pertinent to the section.

Mr. BLANTON. My subject is "defense of," and I shall stick to my subject.

Mr. BOYLAN. Defense of what?

Mr. BLANTON. Defense of those Members who dared.

The CHAIRMAN. The gentleman from Texas must realize that the paragraph deals with the Commissioner of Patents, and he must confine his remarks to that sentence even though the words "defense of" are in the paragraph.

Mr. BLANTON. Mr. Chairman, I realize full well the limitations. In defense of the patent laws of the United States embraced in that paragraph, I want to speak a few words. A patent means nothing in the world but a personal right that is assured and guaranteed to an individual. Yesterday, when in behalf of our prohibition laws, we were exercising personal rights, we did not have a patent for them, but we had a constitutional authority for what we did.

Mr. BOYLAN. Mr. Chairman, I make the point of order that the gentleman from Texas is not speaking to his amendment.

The CHAIRMAN. The gentleman will proceed in order.

Mr. BLANTON. I know the rules, Mr. Chairman, and I am proceeding in order.

Mr. BOYLAN. There is no constitutional amendment involved here.

Mr. BLANTON. I am speaking about the inherent rights of individuals, whether patented or not.

Mr. BOYLAN. There are no inherent rights involved in this section.

Mr. BLANTON. Some are patented and some are not. Yesterday the gentleman from New York [Mr. O'CONNOR] made this statement, which I quote from the RECORD—

Mr. BOYLAN. Mr. Chairman, I object. The gentleman is not speaking of anything that is germane to the section.

Mr. BLANTON. The gentleman can not tell until he hears me complete my sentence.

Mr. BOYLAN. Of course I can, because I can read the gentleman's mind.

Mr. BLANTON. Mr. Chairman, I ask that these interruptions be not taken out of my time, otherwise they would deprive me of my right to make the remarks I desire to make.

Mr. BOYLAN. Mr. Chairman, the gentleman should proceed in order. The gentleman from Texas is a stickler for proper parliamentary procedure, and why not have it now?

Mr. BLANTON. The Chair has ruled that the gentleman from Texas is in order.

Mr. BOYLAN. The Chair has not so ruled.

The CHAIRMAN. The gentleman from Texas will proceed in order, and the Chair asks the gentleman from New York to withhold any objection until the gentleman from Texas has completed his sentence.

Mr. BLANTON. Mr. Chairman, as to the rights of Members, whether patented or not, and to show whether their rights were infringed upon yesterday, I want to read what the gentleman from New York [Mr. O'CONNOR] said.

Mr. BOYLAN. I object. The gentleman is not speaking to the section.

Mr. BLANTON. The gentleman may object as much as he pleases, but he can not keep me from discussing in order my subject.

Mr. BOYLAN. I insist that the gentleman proceed in order.

The CHAIRMAN. The Chair directs the gentleman from Texas to proceed in order under the rule.

Mr. BLANTON. Proceeding, Mr. Chairman, in order, under the ruling of the Chair, the gentleman from New York [Mr. O'CONNOR] said yesterday:

When the votes are counted and the Members pass through that aisle a check will be made on everybody on the Democratic side who passes through there for or against these amendments, so we may know when we meet here in April who are the people who are abiding by the Democratic platform and who are those who pretend at one time to be wet and the next moment reverse to dry.

I have quoted the above from the RECORD of yesterday's proceedings.

Mr. BOYLAN. Mr. Chairman, the gentleman's language does not pertain to the section, and I ask that it be stricken out.

Mr. BLANTON. Mr. Chairman, there is some latitude allowed in debate.

The CHAIRMAN. The gentleman will proceed in order or take his seat. The section under consideration to which the gentleman's amendment is offered deals with the Commissioner of Patents. The gentleman from Texas is now alluding to an address made yesterday by one of the Members of the House upon the subject of prohibition. The Chair asks the gentleman to proceed in order under the rules. The Chair sustains the point of order.

Mr. O'CONNOR rose.

Mr. BLANTON. If the gentleman from New York [Mr. BOYLAN] does not object to my yielding, I yield.

Mr. BOYLAN. The gentleman from New York is utterly unable to control you, sir. You are subject to no rules. You follow no rules except your own.

Mr. BLANTON. Mr. Chairman, I ask that this be not taken out of my time. I ask that these objections, Mr. Chairman, be not taken out of my time, because I am going to proceed in order, although I have about concluded what I wanted to say.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLANTON. Before I yield I wish to say that a patent right, as embraced within this paragraph of the bill, means nothing in the world but a guaranty to the American citizen that his rights shall be protected by the laws of the United States. I want to assure my friends in this House that whether patented or not they have a right to go through that aisle between the tellers and vote just as they please, regardless of the threat of the gentleman from New York [Mr. O'CONNOR].

Mr. BOYLAN. Mr. Chairman, the gentleman is clearly out of order.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order.

Mr. BLANTON. That is all I want to say to the Members.

The CHAIRMAN. Does the gentleman withdraw the pro forma amendment?

Mr. BLANTON. I just wanted to say what I have said to the gentleman from New York [Mr. O'CONNOR]. I withdraw the pro forma amendment.

Mr. Chairman, having obtained unanimous consent from the House to extend my remarks, I will discuss briefly the amendments we are to vote upon before the final passage of this bill. Before doing that, however, for the benefit of our friends in the various States who daily read this RECORD, I want them not to gather the impression that the gentleman from New York [Mr. BOYLAN] and I are unfriendly toward each other, for such is not the case. He is a fundamental, uncompromising wet who conscientiously believes in and zealously fights for his cause. On the other hand, I am a fundamental, uncompromising dry who conscientiously believes in and zealously fights for my cause. We respect each other's views, and we each accord to the other the inherent right of carrying on the fight without giving quarter.

I have for the gentleman from New York [Mr. BOYLAN] not only great respect and warm friendship, but deep affection as well. I sit with him much in the House and greatly enjoy his companionship. No man in Congress is wittier or more entertaining. When I attempt to further the interests of prohibition I do not blame him when he exhausts his parliamentary skill in trying to stop me. We take it on the chin from each other and then still remain friends.

The Tinkham amendment, which seeks to prevent our prohibition-enforcement officers from resorting to wire tapping, is the first one we will vote on to-day. Both Attorney General Mitchell and Colonel Woodcock assured our committee that without resorting to wire tapping in extreme cases it would be impossible for them to apprehend the master minds and leaders of the big liquor rings who operate secretly in the United States and from abroad. They are known to very few of their many employees. They keep their identity concealed even from their gang members. They are notorious criminal leaders outranking the Al Capones of gangdom. It is easy enough to catch the smaller criminals without wire tapping, but it requires the use of wire tapping to catch the master minds.



It simply resolves itself into the question of whether or not we want the master minds caught. Do we? Or do we not? If we do not, why not? Just what is our interest in the master minds that we do not want them caught? Have we such an interest in them? Do we want to protect them? Do we want to give them aid and comfort? Do we want to place safeguards around them? Do we want to make it very difficult for our enforcement officers to apprehend them? If we do, we ought to pass this Tinkham amendment, which prohibits our law-enforcement officers from resorting to wire tapping to catch criminal leaders.

We must keep in mind the fact that both Attorney General Mitchell and Colonel Woodcock testified before our committee that in no case did they allow any wire tapping unless and until the special agent made a full report of the facts and situation, showing the necessity and urgency, and each particular case had to be approved and authorized both by Colonel Woodcock and Attorney General Mitchell, or the Assistant Attorney General.

We ought to have a record vote on this Tinkham amendment, and each and every Member here ought to be willing to go down on record as to whether he is more interested in protecting criminal master minds from apprehension than he is in enforcing the laws of his country. To get a record vote it will require one-fifth of the Members present to stand up and demand the "yeas and nays." If you are willing to deprive our enforcement officers of this needed weapon, without which they can not apprehend criminal leaders, are you not willing to let your constituents know how you stand by having a record vote? I am.

Now, as to the Tarver amendment, which will follow the Tinkham amendment, it would stop all enforcement whatsoever in several States, if it passes; for the courts in several States have held that before there can be a conviction, there must be direct evidence of specific sales, and without proving sales, there can be no conviction.

Do we want to withdraw all enforcement efforts from such States? Do we want to leave them wholly without any enforcement? If we do, all that is necessary is to pass the Tarver amendment. For if it becomes law, then all enforcement in several States will stop.

If we want States like New York, New Jersey, Maryland, Pennsylvania, Illinois, and Missouri to run wide open, in the face of the Constitution, then we want to pass the Tarver amendment. If we want the Nation's Capital to be dripping wet, with dives and clubs in every block, with no chance to convict bootleggers, then we want to pass the Tarver amendment. It is absolutely necessary to make purchases in order to prove sales; and without proving sales, there will be no convictions. It is simply a question of whether we want to give our enforcement officers a chance to enforce the law in all States, or of whether we are in favor of not having any enforcement whatever in those States where it is necessary to prove sales to warrant a conviction. We ought to have a roll-call vote on the Tarver amendment.

Mr. BOYLAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think the time has come when, in speaking about appropriations for the Commissioner of Patents, any Member of the House of Representatives should endeavor to rehash matters that the House has already passed upon. If we permit this course, we will get nowhere. I believe that proper courtesy is due to every Member and that he should be given due credit for his opinions.

Mr. BLANTON. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. I make the point of order that the remarks of the gentleman from New York are no more based upon the paragraph in the bill with reference to patents than my own remarks, but I do not object to the gentleman saying anything he wants to.

Mr. BOYLAN. That is very kind of the gentleman from Texas to extend to me that privilege. I thank him. Of course, the mere fact that he transgresses the rules is no reason why I should. But I think it is unfair, in the gen-

tleman's zeal, to try to make personal applications that are not altogether in conformity with the rules of the House. Of course, I know the gentleman's zeal for his cause, and I respect him for it. I find no fault with that; but, on the other hand, the gentleman should not find any fault with the opposition if they, too, adopt the same course.

Of course, I know it is extremely disagreeable, after riding in the saddle for 12 years, to be unhorsed. I know how it feels to lose. I know that it is not pleasant; but, of course, that is the way of all things human. Things go along slowly and then they rise to the peak and, after reaching the summit, they gradually decline and fade away and die. That is the fate of all causes. History has repeated itself thousands of times. While to-day we may bask in the sunshine of public approval, yet to-morrow thumbs may be turned down on us; but we must accept it. In the vernacular of the day, let us be good sports and take it on the chin and not get too much heated up about it.

This is a cause that the gentleman has espoused for several years very successfully. We wets have opposed it. The gentleman has basked in the sun of victory. Now it is our turn; we must push him into the shadow and take his seat in the golden approval of public confidence. So let us not lose our equilibrium, because, after all, what does it matter, the little things we are doing here to-day? This hour will pass and this day will pass, and others will say, "How foolish they were to get so excited about transient things that were of only minor benefit to the country." So let us proceed in decorum and charity, even if the tides are against us, and with a high regard for the opinions of others as well as for our own cherished and valued views.

With those few words, Mr. Chairman, I withdraw my objection to the amendment.

The pro forma amendment was withdrawn.

Mr. MCGUGIN. Mr. Chairman, I move to strike out the enacting clause.

Mr. Chairman, in keeping with my idea that none of the appropriation bills should be passed in this session of Congress, I am rising to move to strike out the enacting clause of this appropriation bill.

This session of Congress, composed of this Membership, passes out of the picture on March 4, but here we are going on passing appropriation bills which determine the expenses of this Government for the fiscal year beginning July 1, 1933, and ending June 30, 1934. At the same time the House leadership has declared to the country it will not provide a revenue bill to meet those expenses. That is wrong from the standpoint of business. No business institution can survive, no individual can survive, going on spending money without taking into consideration where the money is coming from to meet the expenses. We should not do it. We are invading upon the next Congress when we do it. We are trying to tie the hands of the next Congress and say "Here is the money which must be spent by the next Congress and the next administration," but not having the courage to furnish the revenue to meet them.

Not only is the Budget unbalanced, not only is the Government spending more than it is taking in, but in another respect the Congress and the Government is practicing deceit upon the country. We will look at the money brought in since July 1 and the expenses since then and we say we are running a deficit of a particular amount. That is only a part of it. The Reconstruction Finance Corporation is spending money right along, and it is obtaining that money from the Federal Treasury, and we are not counting that in the Budget.

It is not right. If we were fair about it we would have made appropriation for every dollar for the Reconstruction Finance Corporation, and had we done it the Secretary of the Treasury would merely have gone out and sold some more short-term bonds or notes and obtained the money. That would be an honest, open obligation of the Government and would appear in our unbalanced Budget for this current year. Now, the Reconstruction Finance Corporation is selling its bonds to the Treasury Department. Where is the Treasury Department getting the money? The same



place it is getting the money to meet the appropriations for which we did not provide sufficient revenue. In the end the Government must bear that responsibility.

Our present policy of making appropriations without regard for the revenue to meet them is just as devoid of wisdom as the policy of the Osage Indian who dissipated his royalties and his income during the days of prosperity. We are following Osage Indian business methods when we create debts by passing these appropriations and not taking into consideration where the money is coming from. It is not right. We owe a greater consideration to our country.

Here is a bill where economy should be practiced. The next Congress and the next administration has pledged economy, and every one of us knows that when we get economy in government we are going to get more of it in the Department of Commerce than in probably any other department of the Government. For this reason we should not be making these appropriations for the Department of Commerce, because there is where the economy must come from more than from any other branch of the Government.

Another thing, our Democratic friends have pledged the beer bill. Certainly, when in the next Congress they modify the liquor laws they will not need as much money to enforce them, yet we are going ahead here and making appropriations for the enforcement of the liquor laws. Yesterday we were called upon by the wets not to make any appropriations for prohibition enforcement, but this is still the law, and it should be enforced, if we are to have any respect for constitutional law or government; but assuming that the next Congress passes the beer bill, assuming that the eighteenth amendment is repealed—and I do not think it can be under any circumstances during the next two years—this much is certain: There will not be so much need for these appropriations, but we are going ahead and appropriating money to perform a service which the incoming administration has pledged it is going to abandon. Therefore, that is another reason why this appropriation bill, which includes the appropriations for the Department of Justice, of all appropriation bills should be defeated.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I move that all debate on the pending motion do now close.

The motion was agreed to.

The CHAIRMAN. Does the gentleman from Kansas ask unanimous consent to withdraw his amendment?

Mr. MCGUGIN. No. I ask that it be voted on. I would like to vote on it, at least.

The CHAIRMAN. The question is on the motion of the gentleman from Kansas to strike out the enacting clause.

Mr. BLANTON. Mr. Chairman, I demand a division.

Mr. MCGUGIN. Mr. Chairman, I join in the request.

The question was taken; and on a division (demanded by Mr. BLANTON and Mr. MCGUGIN) there were—ayes 5, noes 36.

Mr. HASTINGS. Mr. Chairman, I think this matter is of sufficient importance to have tellers on it. I demand tellers.

Tellers were refused.

So the motion was rejected.

Mr. OLIVER of Alabama. Mr. Chairman, I hesitate to do so, but in keeping a promise made to the Members before this bill was taken up that if some Member who had been prevented, because of official duties, from taking advantage of the general debate would make known to me that he had any important statement to make to the committee and would state what it was, I would ask unanimous consent that he be allowed to speak out of order.

The gentleman from Texas [Mr. JONES], the chairman of the Committee on Agriculture, who has been very busy with the duties of that committee, advises me that he has a statement to make which will take not over two minutes and which he thinks the House will be interested to hear. He wishes to call attention to an exhibit prepared by the gentleman from New York [Mr. LaGUARDIA].

Mr. Chairman, I therefore ask unanimous consent that the gentleman from Texas [Mr. JONES] may address the committee for two minutes out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES. Mr. Chairman, I merely wish to call attention of the Members to a display of garments in the meeting room of the Committee on Agriculture.

The garments on exhibition are the product of the cotton given by Congress to the American National Red Cross. The raw cotton was allocated to the States in accordance with their population.

In New York City, from whence these exhibits came, the cotton was delivered to the American Red Cross who, in conjunction with the Emergency Unemployment Relief Committee, negotiated for its exchange for all cotton textiles.

The Emergency Unemployment Relief Committee, in conjunction with the Association for Improving the Condition of the Poor, then arranged for its manufacture. Only unemployed needleworkers were used in the manufacture of these garments.

Full and complete cooperation was given by the needleworkers' unions of New York City.

There are some thirty different garments manufactured, each garment in all the necessary standard sizes, and several hundred thousand of each garment manufactured. Distribution is made in New York City by the various charitable and social organizations.

The cost of manufacture was \$174,000, which was contributed from the funds of the Emergency Unemployment Relief Committee. This entailed no additional cost for the reason that only needleworkers who otherwise would have received relief were used and paid from these funds.

These garments were obtained by Representative F. H. LaGUARDIA through the courtesy of the New York Chapter of the American Red Cross, the Emergency Unemployment Relief Committee, and the Association for Improving the Condition of the Poor.

The Clerk read as follows:

For printing the weekly issue of patents, designs, trade-marks, prints, and labels, exclusive of illustrations; and for printing, engraving illustrations, and binding the Official Gazette, including weekly and annual indices, \$900,000; for miscellaneous printing and binding, \$50,000; in all, \$950,000.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 82, line 21, after the semicolon, insert: "Whenever savings may be effected thereby all such printing may be contracted for through public bidding and performed under the direction of the Commissioner of Patents under such limitations and conditions as the general Committee on Printing may from time to time prescribe."

Mr. LaGUARDIA. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CELLER. Mr. Chairman, I admit the point of order is well taken and I shall withdraw the amendment if the point of order is pressed, but I should like an opportunity to make a brief statement with reference to the amendment I have offered.

If the gentleman will look at the report of the subcommittee he will find this very significant language on page 30 with reference to the printing done in the Printing Office:

The Budget estimate of \$1,100,000 for printing and binding has been reduced to \$950,000. The sum of \$1,050,000 of the estimate is for the printing of the Official Gazette and specifications. The present cost of printing patents is over \$6 per page. In 1921 it was \$3.77 per page. We invite the attention of Congress to the interesting statement made by the Commissioner of Patents relative to the cost of printing. It will be noted that he takes the position that large savings can be effected by letting this printing to outside bidders.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BLANTON. The gentleman knows that many bureaus are trying to break away from the Government Printing Office and have the privilege of letting their printing out by private contract.

It would lead to many abuses. What we want to do is to force a proper reduction in the expense of the Printing Office, and meet it in that way.



Ultimately I shall be compelled to make the point of order if the gentleman from New York [Mr. LaGuardia] does not; but if the gentleman wants to continue I will withhold it.

Mr. CELLER. Yes. I agree with the gentleman from Texas [Mr. BLANTON] that there is something wrong with the Government Printing Office, if we can believe what the Commissioner of Patents says. He testified on page 333 of the hearings that the cost in the Government Printing Office to print a page relative to the specifications is \$6; whereas he has received estimates from reputable printers and publishers that this same work under union labor and with proper safeguards can be done for \$4 a page. When you consider that the number of pages printed involves 195,000 pages, as the Commissioner of Patents testified, and multiply that by two, you have a saving of—

Mr. LaGuardia. Why \$2 instead of \$4?

Mr. CELLER. The difference is \$2 a page. As a matter of fact, I was told the total possible saving would be \$405,000. Now, we certainly should not avoid or ignore taking into consideration what the Commissioner of Patents says in that regard.

Mr. LaGuardia. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. LaGuardia. There is a reduction here of \$300,000.

Mr. CELLER. Yes; I am coming to that. I believe that as a result of the testimony given by the Commissioner of Patents and the Government Printer a reduction in the appropriations was made of \$300,000. I believe if this could be let under public bidding, with the usual safeguards of public bidding, under bonds and with union-labor requirements, the saving would be effected. Furthermore, the Government Printer could bid just like anybody else, and he could get the contract if he bids lowest.

Mr. LaGuardia. The gentleman is not getting the Shannon-Rich complex, is he?

Mr. CELLER. No; I do not wish to bring in the Shannon idea at all. It has nothing to do with this. The Secretary of Commerce took this matter up, and I shall ask permission to put into the RECORD correspondence that passed between the Public Printer, Mr. Carter, and the Secretary of Commerce, Roy D. Chapin. There are three brief letters which I shall ask unanimous consent to put into the RECORD, and I shall only read three paragraphs now. If authority were given the Public Printer so that he would do this work as cheaply as it may be done outside, he should do it, or in lieu thereof he should avail himself of the powers that he now has and give that work outside.

He has the power, subject to the approval of the Joint Committee on Printing, to do this work under public bidding, with the safeguards as to union labor and a bond for completion of the work, and so forth.

[Here the gavel fell.]

Mr. Chairman, I ask unanimous consent to proceed for two minutes, and I shall then withdraw the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. The Public Printer, in a letter to the Commissioner of Patents under date of June 14, 1932, said:

Thanking you for this information at your earliest convenience, inasmuch as I intend to give serious consideration to having the work done by contract if any substantial saving can be made thereby other than a possible saving resulting from the better preparation of copy by the Patent Office.

Then the Secretary of Commerce investigated the matter, and he had this to say in a letter to the Public Printer under date of September 16, 1932:

An investigation made before the receipt of your letter of June 14 indicated that at least \$200,000 per year could be saved if the Patent Office printing were done by private contract. An investigation made since the receipt of said letter shows that the saving will be much greater, probably double that amount.

Under date of November 25, 1932, the Secretary of Commerce, Mr. Chapin, in a letter to the Public Printer said:

You have written the commissioner that you have the power under the present law and will be willing to award the contract

to a private contractor if we can show a substantial saving. We have shown this. In our views, \$400,000 is a substantial saving. It is therefore believed that you should either perform the work at a reasonable price compared with private printers or make good your offer to have the work done privately, since your condition that a substantial saving be effected has been completely met.

I think I have made my point clear, and I withdraw my amendment.

I herewith insert the correspondence in question:

UNITED STATES GOVERNMENT PRINTING OFFICE,  
Washington, D. C., June 14, 1932.

MY DEAR MR. COMMISSIONER: I have your letter of June 9, refusing to furnish this office any information concerning the investigation which you say has convinced you that the Patent Office could save at least \$200,000 a year out of its appropriation by having its printing done under private contract instead of at the Government Printing Office. In view of the law (act of February 28, 1929, 45 Stat. 1400) authorizing the Public Printer to have printing produced elsewhere under contracts made by him, I believe I am entitled to the information which you say is in your possession in order that the best interests of the Government may be protected.

In any event I would like to know whether the estimated saving of \$200,000 contemplates furnishing better copy to the private contractor than has been supplied to the Government Printing Office by the Patent Office for many years. You may recall that about two years ago I offered to make a reduction of approximately \$50,000 annually in the charges for Patent Office printing if your office would prepare copy for specifications so that it could be handled in the same manner as copy furnished to this office by other establishments of the Government.

I would also like to be advised, in order to determine if it is practical to have Patent Office printing done by contract, whether it would be agreeable to the Patent Office to have the printing of patent specifications or the Gazette done elsewhere than in the city of Washington. Do you deem it essential that this work shall be done in or near Washington and would you be agreeable to having it awarded to the lowest bidder capable of doing the work, wherever his printing establishment might be located?

Thanking you for this information at your earliest convenience, inasmuch as I intend to give serious consideration to having the work done by contract if any substantial saving can be made thereby other than a possible saving resulting from the better preparation of copy by the Patent Office.

Respectfully yours,

GEORGE H. CARTER,  
Public Printer.

HON. THOMAS E. ROBERTSON,  
The Commissioner of Patents, Washington, D. C.

DEPARTMENT OF COMMERCE,  
OFFICE OF THE SECRETARY,  
Washington, September 16, 1932.

HON. GEORGE H. CARTER,  
Public Printer, Washington, D. C.

MY DEAR MR. CARTER: Your letters of June 14 and August 16, directed to the Commissioner of Patents and referring to printing for the Patent Office, have been referred to me.

An investigation made before the receipt of your letter of June 14 indicated that at least \$200,000 per year could be saved if the Patent Office printing were done by private contract. An investigation made since the receipt of said letter shows that the saving will be much greater, probably double that amount.

In this connection I am transmitting a photostatic copy of a proposition in writing made by the Polygraphic Co. of America to print patent specifications at a cost not to exceed \$4.25 per page and the Official Gazette at a cost of \$10 per page. This, based upon the number of pages (191,933) printed in the fiscal year ending June 30, 1932, would effect a saving of \$330,700 for printing the specifications and \$71,500 for printing the Official Gazette; a total saving of at least \$400,000.

In view of the fact that your letter states that you are now authorized to have the printing done under private contract instead of at the Government Printing Office (act of February 28, 1929, 45 Stat. 1400), and in view of the last paragraph of your letter where you state you will give "serious consideration to having the work done by contract if any substantial saving can be made thereby other than a possible saving resulting from the better preparation of copy of the Patent Office," I am transmitting this offer of the Polygraphic Co. for your consideration.

Incidentally, I might add that the Polygraphic Co. agrees to effect this saving without the necessity of the Patent Office "furnishing better copy to the private contractor than has been supplied to the Government Printing Office by the Patent Office for many years," as suggested in the second paragraph of your letter. In other words, the Polygraphic Co. would relieve the Patent Office of the necessity of specially preparing "copy," thus effecting a further saving of \$30,000. In addition, the president of the Polygraphic Co. advises the commissioner orally that he has no doubt that he will be able to make a further reduction after the first year's operation.

As I understand it, the Polygraphic Co. would, and any other company to whom the contract might be awarded should, guarantee their fulfillment of the contract even to the extent of fur-



nishing an indemnifying bond. The photolithographing contract of the Patent Office with the Polygraphic Co. last year amounted to \$140,000. The work was uniformly delivered on time and the quality was excellent.

Sincerely yours,

ROY W. CHAPIN.

NOVEMBER 25, 1932.

HON. GEORGE H. CARTER,  
Public Printer, Washington, D. C.

MY DEAR MR. CARTER: Receipt is acknowledged of your letter of November 15 relative to the Patent Office printing.

1. Your letter suggests that the Commissioner of Patents has not submitted to you the facts and figures which would reply to your letter requesting the same. While it is true the Commissioner of Patents has not directly given you the facts, it was the intention that my letter of September 16 was to be considered as a reply to your letter to the commissioner, and, in fact, my letter specifically referred to your letters of June 14 and August 16.

2. My letter of September 16 gives you full information regarding the question of printing. The Commissioner of Patents does not know to what you have reference when you mention the "new methods of printing" or the "new methods of procedure" which will enable the Polygraphic Co. to effect a saving of \$400,000 referred to. In fact, the commissioner has had no "negotiations" with the Polygraphic Co. concerning the matter under discussion other than what has been frankly set forth in the information conveyed either in or with my letter of September 16.

3. Before the Polygraphic Co. had submitted its offer of August 1, this office authorized the Commissioner of Patents to have printed two of the patents already printed by your office, such work being done from the same files as were used by your office. (The work was not done by the Polygraphic Co.) When the work was done the commissioner was furnished with an itemized statement showing the cost of the composition, the cost of proof-reading, the cost of correction, the cost of type metal, the cost of paper, etc. It was manifest from this that there would be a saving of over \$300,000 on your charges for last year.

4. The offer of the Polygraphic Co. was not submitted by me to you as one to be necessarily accepted, but merely for the purpose of showing that the work could be done by an outside contractor for at least \$400,000 less than you were doing it. In fact, the last paragraph of my letter of September 16 made it very evident that if the work were done by a private contractor the contract might be awarded to some other contractor than the Polygraphic Co. This department (including the Patent Office) was and is still willing to accept the offer in your letter of June 14 wherein you stated that you would give "serious consideration to having the work done by contract if any substantial saving can be made thereby other than a possible saving resulting from the better preparation of copy of the Patent Office." In other words, if in your judgment you decided to take advantage of the fact that the Patent Office could save at least \$400,000 by having the printing done by private contract and should advertise for proposals, the contract would as a matter of course go to the lowest responsible bidder. Certainly the Polygraphic Co. could get the bid only if it were the lowest responsible bidder and would furnish the bond referred to in the last paragraph of my letter of September 16.

5. You are entirely correct in your belief that the Patent Office does not wish its original records to leave the city, and therefore agrees with your conclusion that it would be better not to accept the trial offer of the Polygraphic Co. Nevertheless you are under a misapprehension in believing that the Patent Office does not now permit private contractors to use its secret records in advance of the printing of the patent. Every drawing as soon as it is filed is sent out of the Patent Office to a private photographer to be photographed. Moreover, for years there have been two or three private contractors who are permitted to withdraw our original specifications and drawings, while the applications are still pending, to make copies. There would, therefore, be no objection to awarding the printing contract to a private printer, since he would be under bond for the faithful performance of his duties and would be required to make the same arrangements for secrecy as are now made in your office. In any event, it is to be noted that the Polygraphic Co. agrees to perform the work in this city.

6. Your letter states that in making this estimated saving of \$400,000 we utterly ignored the fact that your letter of August 16 advised that the total charges for printing would be reduced by at least \$50,000, and possibly by another \$50,000, or \$100,000 in all. This was not ignored but was given full consideration. Even if it is assumed that your charges for the first four months of the present fiscal year have reflected this saving, two factors must not be overlooked, to wit: (1) That the saving is made at a cost of \$30,000 extra expense within the Patent Office; and (2) that even if your bills for the last four months having shown a saving of \$50,000, or even \$100,000, there would still remain a saving of at least \$400,000 on your charges, as nearly as we can estimate from your bills as rendered for July, August, September, and October of the present year, this saving being based upon the offer of \$4.25 per page of specification and \$10 per page of Official Gazette.

7. It would seem appropriate to mention at this time that it is difficult for the department or the Patent Office to ascertain definitely what your charges are, except as to totals. Would it not be feasible for you to indicate in your future bills the number of pages printed and the rate per page?

You have written the commissioner that you have the power under the present law and will be willing to award the contract

to a private contractor if we can show a substantial saving. We have shown this. In our views, \$400,000 is a substantial saving. It is therefore believed that you should either perform the work at a reasonable price compared with private printers or make good your offer to have the work done privately, since your condition that a substantial saving be effected has been completely met.

Sincerely yours,

ROY D. CHAPIN,  
Secretary of Commerce.

Mr. OLIVER of Alabama. Mr. Chairman, it is interesting to read the hearings relative to this matter. It was first called to the attention of the committee by the Secretary of Commerce. After a hearing with the Director of the Bureau of Patents in respect to the same subject, the committee felt it was but fair to send for the Public Printer, and after the hearings were closed we had a very interesting hearing with the Public Printer, and in justice to him, I should say that he seemed very willing to cooperate fully with the Director of the Bureau of Patents to effect savings in this item. When we called his attention to what the Budget had estimated for 1934, even after the director had made the reductions he thought were proper, the Public Printer said to the committee in effect, "I think you would be safe in taking \$150,000 more from that appropriation, since we can do the work for that amount." Based on what the Public Printer stated, the committee reduced the estimate submitted by the Budget \$150,000. So, really, the conferences led to a saving of approximately \$400,000.

Mr. CELLER. Will the gentleman yield for a question?

Mr. OLIVER of Alabama. Yes.

Mr. CELLER. I believe the Commissioner of Patents will tell you that unless something is done in this regard and along the lines I have suggested, they may not be able to come within the appropriation you have made, since you have made deductions of almost \$400,000.

Mr. OLIVER of Alabama. As I have just stated to the gentleman, the Public Printer, who knows what this printing should cost, estimates that we are safe in making the reduction recommended.

The amendment was withdrawn.

The Clerk read as follows:

Government fuel yards: For the purchase and transportation of fuel; storing and handling of fuel in yards; maintenance and operation of yards and equipment, including two motor-propelled passenger-carrying vehicles for inspectors, purchase of equipment, rentals, and all other expenses requisite for and incident thereto, including personal services in the District of Columbia, the unexpended balance of the appropriations heretofore made for these purposes is reappropriated and made available for such purposes for the fiscal year 1934, and for payment of obligations for such purposes of prior years, and of such sum not exceeding \$500 shall be available to settle claims for damages caused to private property by motor vehicles used in delivering fuel: *Provided*, That all moneys received from the sales of fuel shall be credited to this appropriation and be available for the purposes of this paragraph: *Provided further*, That the term "fuel" wherever used in this appropriation shall be understood to include fuel oil: *Provided further*, That the requirements of sections 3711 and 3713 of the Revised Statutes (U. S. C., title 40, sec. 109) relative to the weighing of coal and wood and the separate certificate as to the weight, measurement, or quantity of coal and wood purchased shall not apply to purchases by the Government fuel yards at free-on-board destinations outside of the District of Columbia;

Mr. GOSS. Mr. Chairman, I reserve a point of order on the proviso beginning in line 16, in order to get an explanation of the provision from the gentleman from Alabama.

Mr. OLIVER of Alabama. Mr. Chairman, this is a proviso that has been carried in the bill for a number of years.

Mr. GOSS. This proviso seems to exempt the weighing of coal and wood purchased by the Government fuel yards at free-on-board destinations outside of the District of Columbia. Why should we do this?

Mr. OLIVER of Alabama. Inasmuch as they buy fuel in such large quantities, it has been found feasible to do this, since the Director of Mines is charged with the duty of supervising all purchases and making all tests.

Mr. GOSS. There is no chance of the Government's being short weighted?

Mr. OLIVER of Alabama. We understand it is watched very carefully and that this is an economical and efficient way of conducting the large purchases of the Government through this agency.



Mr. BRIGGS. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. BRIGGS. Does the Bureau of Mines engage in any particular investigational work here with reference to coal? I notice a vast movement of fuel, it seems to me, in wagons of the Bureau of Mines through the streets of Washington.

Mr. OLIVER of Alabama. That is the delivery of coal to the various departments.

Mr. BRIGGS. They simply use the wagons of the Bureau of Mines for that purpose?

Mr. OLIVER of Alabama. They purchase the coal for the different departments and deliver it as the departments may need it.

Mr. GOSS. I would ask the gentleman to look into this item at some time, because we may easily get short weighted.

Mr. OLIVER of Alabama. We have gone very fully into the matter with the Director of Mines, and he believes that this fund is economically expended. We took some money from the revolving fund, because we did not feel the full amount was required for another year. We did this in order to require the departments to pay more promptly for fuel when delivered, since appropriations are carried for that purpose.

The Clerk read as follows:

Helium plants: For helium production and conservation, including acquisition of helium-bearing gas land or wells by purchase, exchange, lease, or condemnation, or interest in such land or wells, the purchase, lease, construction, or modification of plants, pipe lines and accessories, compressor stations, camp buildings, and other facilities for the production, transportation, storage, and purification of helium and helium-bearing gas, including acquisition of sites and rights of way therefor, by purchase, lease, or condemnation, and including supplies and equipment, expenses of travel and subsistence, maintenance and operation of motor-propelled, passenger-carrying vehicles for official use in field work, and all other necessary expenses, including not to exceed \$6,560 for personal services in the District of Columbia, and including the payment of obligations incurred under the contract authorization carried under this heading in the Department of Commerce appropriation act for the fiscal year 1932, the unexpended balances in the appropriation "Helium Plants, Bureau of Mines, 1933," less the sum of \$50,000, are hereby continued available for the fiscal year 1934: *Provided*, That no part of the appropriation herein made may be expended except with the approval of the President: *Provided further*, That the acquirement of leases, sites, and rights of way under terms customary in the oil and gas industry, including obligations to pay rental in advance and to pay damages to lands, crops, or structures arising out of the Government's operations is authorized: *Provided further*, That should valuable products other than helium-bearing gas be discovered in wells acquired or drilled for helium-bearing gas under this appropriation the Secretary of Commerce is authorized to provide for the disposal of said wells or the products therefrom, by the contracts under which the property is acquired, or otherwise, in accordance with the interests of the Government therein and in the manner which, in his opinion, is most advantageous to the Government.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word.

Is the Government now getting from its own plants all the helium that it requires for the Army and Navy?

Mr. OLIVER of Alabama. Yes.

Mr. BRIGGS. And the Government does not get any helium from any other source?

Mr. OLIVER of Alabama. No.

Mr. BRIGGS. Is there any other helium production on a commercial scale, other than what the Government produces?

Mr. OLIVER of Alabama. Not to my knowledge.

The Clerk read as follows:

Total, Bureau of Mines, \$1,464,300.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the period in the last line. Mr. Chairman, we have reached the conclusion of the bill for the Department of Commerce. I think it might be well to review the growth of that department briefly. I have prepared a tabulation showing its personnel and its appropriations for the years 1913, 1922, and 1932.

For instance, in 1913, in the beginning of the activity of this department, the personnel was 8,783 and the appropriation was \$11,345,088.

In 1922 the department had grown to the extent that it employed a personnel of 11,355 and the appropriation was \$20,012,907.

In 1932 the personnel had risen to 20,912 and the appropriation was \$54,716,230, a jump of nearly nine times in the personnel and an increase in the appropriation of five times over 1913.

Now, the appropriations from that point have dropped—1932 was the peak. The appropriations for 1933 dropped to \$44,784,408. The appropriations recommended in this bill for the next fiscal year are down to \$36,605,465.

I think it is interesting for the House to know that with respect to that department the committee has shown a disposition to work in harmony with the economy plan.

Mr. STAFFORD. Will the gentleman yield?

Mr. GRIFFIN. I will.

Mr. STAFFORD. In the gentleman's study, has he been able to ascertain in which bureau of the Department of Commerce there has been any marked increase, or is the increase general to all the bureaus? The gentleman's figures are rather startling. The increase from 1913 to 1922 might have been expected, because of the war activities, and that is only \$9,000,000, but from 1922 to 1932 they increase nearly 200 per cent.

In the consideration of the bill, I recently pointed out that the appropriations for the Bureau of Standards might be decreased without doing violence to that bureau by a cut of four or five hundred thousand dollars. In what bureaus have the exceptional increases been made?

Mr. GRIFFIN. I have made an analysis of the various bureaus, and I will put it in my remarks in answer to the gentleman.

In connection with this, I want to point out to Members that in the RECORD of January 23, page 2329, I published an analysis for the Department of State for the same years, showing the growth of that department and its personnel.

In 1913, the personnel for the Department of State was 213 and the appropriation \$325,960. In 1922 the personnel had jumped to 644 and the appropriations to \$1,002,675. In 1932 the personnel was 851, and the appropriation was \$2,094,200.

Mr. DYER. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. DYER. Whose fault was it that these increases were made? Was it not the fault of the Committee on Appropriations? It gave them these additional appropriations from year to year.

Mr. GRIFFIN. The Appropriations Committee has tried to follow the law.

Mr. DYER. But sometimes the Committee on Appropriations appropriates for things not authorized.

The following is the table referred to by Mr. GRIFFIN:

Department of Commerce—Appropriations and personnel for years 1913, 1922, 1932

| Bureau                             | 1913      |                | 1922      |                | 1932      |                |
|------------------------------------|-----------|----------------|-----------|----------------|-----------|----------------|
|                                    | Personnel | Appropriations | Personnel | Appropriations | Personnel | Appropriations |
| Office of Secretary.....           | 139       | \$730,830      | 183       | \$690,300      | 170       | \$1,477,160    |
| Foreign and Domestic Commerce..... | 108       | 176,242        | 595       | 1,228,510      | 1,902     | 5,334,122      |
| Census.....                        | 1,376     | 1,251,886      | 1,664     | 1,000,000      | 4,043     | 6,270,580      |
| Steamboat Inspection Service.....  | 262       | 534,740        | 366       | 990,790        | 420       | 1,395,120      |
| Navigation.....                    | 95        | 163,060        | 230       | 316,922        | 192       | 496,280        |
| Standards.....                     | 312       | 689,410        | 968       | 1,507,360      | 1,035     | 2,874,570      |
| Lighthouses.....                   | 5,624     | 5,563,910      | 5,909     | 8,856,790      | 7,814     | 12,082,410     |
| Coast and Geodetic Survey.....     | 347       | 1,036,020      | 978       | 2,120,690      | 1,279     | 3,075,933      |
| Fisheries.....                     | 398       | 944,790        | 462       | 1,244,180      | 1,193     | 2,905,540      |
| Bureau of Corporations.....        | 127       | 254,200        | -----     | -----          | -----     | -----          |
| Aeronautics Branch.....            | -----     | -----          | -----     | -----          | 272       | 10,362,300     |
| Radio division.....                | -----     | -----          | -----     | -----          | 189       | 646,700        |
| Patent Office.....                 | -----     | -----          | -----     | -----          | 1,425     | 5,516,750      |
| Mines.....                         | -----     | -----          | -----     | -----          | 978       | 2,278,765      |
| Increase of compensation.....      | -----     | -----          | -----     | 2,048,365      | -----     | -----          |
| Total.....                         | 8,788     | 11,345,088     | 11,355    | 20,012,907     | 20,912    | 54,716,230     |

Appropriations for 1933..... \$44,784,408  
Appropriations recommended in fiscal year 1934..... 36,605,465

The Clerk read as follows:

Printing and binding: For printing and binding for the Department of Labor, including all its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, \$225,000.

Mr. GARBER. Mr. Chairman, I move to strike out the last word.

The report of the subcommittee of the House Appropriations Committee on the pending bill making appropriations for the Departments of State, Justice, Commerce, and Labor for the fiscal year 1934 reflects a conscientious performance of duty by each Member and a determined effort to reduce the cost of Government, as far as it is possible to do so without serious injury to the service.

I am sure the members of this committee appreciate the services of the distinguished chairman and senior ranking member on this committee in being always willing to explain fully in detail the considerations determining their conclusions reached. In its report upon this bill, however, the following reference without clarifying statement is vague and indefinite.

Referring to the Court of Claims:

We are persuaded that the next Congress might well consider limiting the authority of the court as to some of the cases referred to them for trial to a finding of and a report on the facts.

The Court of Claims is not a court of reference. Its jurisdiction is not that of a referee or master in chancery. The Court of Claims is a court of original jurisdiction. Cases are not referred to the Court of Claims for trial, but are initiated and filed in that court by petition and procedure similar to the other civil courts. It is true that neither the ward of the Government nor the citizen can sue the Government without its permission, but that consent or permission of a sovereign is not a matter of favor, but is embedded in the morality of the duty of the Government to recognize the obligation of contract in the same degree that it requires the recognition of such obligation from the ward or citizen. In other words, it is just as much the duty of the Government to fulfill its obligations as it is the duty of the citizen.

Before the establishment of the Court of Claims those having claims against the Government could only be heard by Congress itself. This was recognized as most inefficient and cumbersome machinery to administer justice, even to the point of being almost a denial of such administration to the citizen.

For the purpose of relieving Congress of such grave responsibility and affording the citizen and the Government with a judicial agency, the Court of Claims was established by Congress in 1855 and by subsequent acts given a wide and varied jurisdiction, including all claims against the United States Government, with the exception of tort and pension claims. It has jurisdiction to hear and determine any claim against the Government founded upon any law of Congress or upon any regulation of an executive department or upon any contract, express or implied, or upon any treaty with the Government of the United States.

Originally it was a court merely in name, for its power extended only to the preparation of bills to be submitted to Congress. In 1863 the number of judges was increased from three to five. Its jurisdiction was enlarged, and instead of being required to prepare bills for Congress it was authorized to render final judgment, subject to appeal to the Supreme Court and to an estimate by the Secretary of the Treasury of the amount required to pay each claim. The Supreme Court, however, held that the provision of an estimate was inconsistent with the finality essential to judicial decisions, and Congress repealed that provision, since which time the Court of Claims has exercised all the functions of a court as exercised by the other inferior courts authorized by Congress.

The suggestion of our committee that—

We are persuaded that the next Congress might well consider limiting the authority of the court as to some of the cases referred to them for trial to a finding of and a report on the facts—

is not supported by any facts in the hearing or stated in the report. No reasons are given, no consideration is stated which persuaded the committee to make such suggestion,

and we do not believe that mature consideration will justify any such action.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. GARBER. Mr. Chairman, I ask unanimous consent to continue for five minutes.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Mr. Chairman, there will be several roll calls this afternoon, and this is Saturday afternoon. I think we ought to get along with the bill.

Mr. DYER. Mr. Chairman, I ask unanimous consent that the gentleman may have three minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. GARBER. Yes.

Mr. DYER. In the cases that the gentleman speaks of, why could not the Congress authorize the district courts to try them? We are going to have a surplus of district judges in this country very shortly, due to the fact that prohibition is going to be repealed. Why not give those district judges something to do and transfer jurisdiction to them, instead of creating so many other courts?

Mr. GARBER. Mr. Chairman, that is entirely within the jurisdiction of Congress.

The court was established to relieve Congress, to protect the Government by regular investigation, and to protect claimants by affording them a certain mode of examining and adjudicating their claims.

When the court has ascertained and determined what valid claims a plaintiff may have against the defendant, its function and power is ended. It can issue no execution to enforce the payment of the amount so ascertained. Plaintiffs must then appeal to the sovereign for an appropriation to pay the claim ascertained by the court to be due. This appeal must be made to the legislative department of the Government. It rests with the legislative branch of the Government; and if Congress refuses to appropriate the money to pay the judicially ascertained claim, the power does not reside in any court to enforce the payment thereof, and there is no other forum in which the plaintiffs can seek redress.

In commenting upon the court, the distinguished chairman took occasion to say that the aggregate of the pending claims, including interest and principal, amounted to \$4,055,312,696.59, as shown in the following table:

|  |                  |                  |
|--|------------------|------------------|
| Tax cases:   |                  |                  |
| 675 actual claims.....   | \$66,097,106.65  |                  |
| Estimated interest.....  | 14,688,245.92    |                  |
|  |                  | \$80,785,352.57  |
| Patent cases:  |                  |                  |
| 41 actual claims.....  | 238,347,640.08   |                  |
| Estimated interest.....  | 52,966,142.24    |                  |
|  |                  | 291,313,782.32   |
| Indian cases:  |                  |                  |
| 58 actual claims.....  | 1,072,006,278.34 |                  |
| 25 estimated claims.....   | 354,000,000.00   |                  |
| Estimated interest.....  | 2,112,449,581.39 |                  |
|  |                  | 3,538,455,859.73 |
| General and special jurisdictional cases: 777 actual claims..... |                  |                  |
|  |                  | 144,757,701.97   |
|  |                  | 4,055,312,696.59 |

The implication, especially to the average layman, is that the court was being resorted to for the collection of claims against the Government which were unwarranted and unjustifiable in the jurisdiction which it exercises.

The distinguished chairman should have accompanied such statement with the percentage of results in judgments rendered and collections made, and the aggregate amount of claims pending would not be so terrifying. In his annual report for the fiscal year ending June 30, 1932, the Attorney General stated:

The total amount of judgments rendered against the Government during the year was \$5,503,534.84 in cases in which the recovery sought was \$470,513,986.48. The percentage of recovery for the current year was approximately 1 per cent of the amount claimed.

This means that the stupendous aggregate amount of claims pending in the Court of Claims in excess of \$4,000,-



000,000, so far as practical results in the form of judgments are concerned, would amount to \$40,000,000, and these claims include claims pending over a period of 10 years. The records of the court show that in all the suits filed in the court from 1920 to 1932, the aggregate amount claimed was \$12,678,687,341, while the net amount on all of such claims during said period of 12 years is \$75,190,563.

#### RECORD IN SUPREME COURT

From October, 1925, to November 1, 1932, inclusive, there were filed in the Supreme Court of the United States 332 petitions for writs of certiorari to review the judgments of the Court of Claims. The Supreme Court denied certiorari in 246 cases and granted 83. There are 3 cases pending, upon which no action has been taken. Of the 83 cases in which writs were granted, 17 are now pending in the Supreme Court, 43 were affirmed by the Supreme Court, and 33 have been reversed. In the 43 cases in which the Court of Claims was affirmed, 36 were decided by the Court of Claims in favor of the Government and 7 in favor of the plaintiff. In the 33 cases reversed by the Supreme Court, 23 had been decided by the Court of Claims against the plaintiffs and 7 had been decided by the Court of Claims against the Government. The 3 remaining cases which were reversed by the Supreme Court represent judgments in the Court of Claims for the plaintiff in which the Supreme Court increased the judgments for plaintiff. It will be seen from the above that the great majority of cases in which the Court of Claims is reversed, it had decided in favor of the United States and that over a period of seven years the Court of Claims has been reversed only seven times in cases which it decided against the United States.

We have 559 tax cases, 9 ship cases, 31 patent cases, 45 cotton linter cases, 5 railroad cases, 84 Indian cases under special jurisdictional acts, 27 cases for dependency allowances, 189 miscellaneous, and 416 congressional cases, for a total of 1,554.

Mr. OLIVER. Can you follow that with a statement of the cases disposed of during the last fiscal year?

Chief Justice BOOTH. Number of cases disposed of by the court from July 1, 1931, to June 30, 1932, 698.

In accordance with the annual report to Congress, dated December 5, 1932, it appears that for the year ended December 3, 1932, there were 463 cases disposed of, either by dismissal, judgments for plaintiffs or judgments for defendant.

|  |                 |
|--|-----------------|
| Amount claimed                             | \$51,071,743.46 |
| Judgments for plaintiffs                   | 4,635,526.41    |
| Judgments for defendant (cost of printing) | 8,763.34        |
| Judgments on counterclaims                 | 2,090,274.58    |

We submit that this record of judicial service by the Court of Claims will favorably compare with that of any of the other inferior courts established by Congress.

The Clerk read as follows:

#### EMPLOYMENT SERVICE

To enable the Secretary of Labor to foster, promote, and develop the welfare of the wage earners of the United States, including juniors legally employed, to improve their working conditions, to advance their opportunities for profitable employment by regularly collecting, furnishing, and publishing employment information as to opportunities for employment; maintaining a system for clearing labor between the several States; cooperating with the Veterans' Administration to secure employment for veterans; cooperating with and coordinating the public employment offices throughout the country, including personal services in the District of Columbia and elsewhere; traveling expenses, including expenses of attendance at meetings concerned with the work of the employment service when specifically authorized by the Secretary of Labor; supplies and equipment, telegraph and telephone service, and miscellaneous expenses; \$734,865, of which amount not to exceed \$46,750 may be expended for personal services in the District of Columbia: *Provided*, That no part of this appropriation shall be expended for the establishment or maintenance of any employment office unless suitable space therefor can be found in a Federal building or is furnished free of rent by State, county, or local authority, or by individuals or organizations: *Provided further*, That no part of this appropriation shall be used to pay any salary in any field employment office at an annual rate in excess of \$2,000, except one director in each State whose salary shall not exceed \$3,500, and 23 managers of the veterans' employment service whose salary shall not exceed \$2,400 each.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word to ask a question in reference to the Employment Service. I read the concluding proviso under Employment Service:

That no part of this appropriation shall be used to pay any salary in any field employment office at an annual rate in excess of \$2,000, except one director in each State whose salary shall not exceed \$3,500, and 23 managers of the veterans' employment service whose salaries shall not exceed \$2,400 each.

Does this take care of all the offices that are now open in the employment service?

Mr. OLIVER of Alabama. I can not say that it does. This is the Budget estimate as submitted to us. The gentleman will recall that the House only recently approved a supplemental estimate sent up by the President, and it may be that some of these offices can not be kept open with the amount included in the original estimate; and that if it is important to keep them open in 1934, the next President would have to send up what has been done this year, namely, a supplemental estimate.

The Clerk read as follows:

#### UNITED STATES HOUSING CORPORATION

Salaries and expenses: For officers, clerks, and other employees, and for contingent and miscellaneous expenses, in the District of Columbia and elsewhere, including blank books, maps, stationery, file cases, towels, ice, brooms, soap, freight and express charges, communication service, travel expense, printing and binding not to exceed \$150, and all other miscellaneous items and expenses not included in the foregoing and necessary to collect and account for the receipts from the sale of properties and the receipts from the operation of unsold properties of the United States Housing Corporation, the Bureau of Industrial Housing and Transportation, property commandeered by the United States through the Secretary of Labor, and to collect the amounts advanced to transportation facilities and others; for payment of special assessments and other utility, municipal, State, and county charges or assessments unpaid by purchasers, and which have been assessed against property in which the United States Housing Corporation has an interest, and to defray expenses incident to foreclosing mortgages, conducting sales under deeds of trusts, or reacquiring title or possession of real property under default proceeding, including attorney fees, witness fees, court costs, charges, and other miscellaneous expenses; for the maintenance and repair of houses, buildings, and improvements which are unsold; in all, \$13,195: *Provided*, That no person shall be employed hereunder at a rate of compensation exceeding \$4,000 per annum, and only one person may be employed at that rate: *Provided further*, That no part of the appropriations heretofore made and available for expenditure by the United States Housing Corporation shall be expended for the purposes for which appropriations are made herein.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, I wish to express to the Members of the House, on behalf of the committee having this bill in charge, our deep appreciation for their splendid cooperation, which alone made possible the expeditious consideration of the bill. It has been my purpose to ascertain in advance as far as possible what items the Members of the House were interested in discussing; and recognizing the value of intelligent discussion, I have sought to secure adequate time therefor as to such items. I know the House will understand that what I may state as my individual opinion in relation to the action taken on certain amendments is not intended as a criticism of the membership of the House but simply to submit for their further consideration my views relating thereto. Take the vote yesterday on the amendment offered by the distinguished gentleman from Ohio [Mr. COOPER] relating to the Federal prison in Pennsylvania. While time will not permit an oral discussion, I ask leave to insert as a part of and at the close of my remarks a prepared written statement, which the Members of the House are urgently requested to read.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. You will conclude, I believe, after reading the facts respectfully submitted, that the committee has departed, perhaps unconsciously, from a well-defined and widely approved policy only recently adopted by almost a unanimous vote of the Senate and House in reference to prison industries. Unwittingly you are discriminating in favor of one single class of industry and against other industries equally if not more deserving, and which the original act, passed in May, 1930, very wisely and properly warned against. The gentleman from Missouri [Mr. DYER] inserted in last Thursday's RECORD a splendid statement by the Director of the Bureau of Prisons, in which will be found a very convincing and in-



forming discussion of our Federal industrial system now in vogue at our penal institutions in strict conformity to the express mandates of Congress. It is my hope that the House may correct this mistake of the committee.

The other two matters of which I wish to speak are the two amendments that were adopted by the committee and which, in my judgment, will seriously impair, if not prevent, any effective enforcement of the national prohibition law. I recognize how sharp differences may exist between Members as to the amount of the appropriation that should be now carried, and as to that I will not further complain; but I respectfully submit that when you have fixed the appropriation for this service, you should not make ineffective the enforcement of the law by imposing limitations which you have repeatedly heretofore rejected and disapproved. I concede absolute sincerity of opinion to those who entertain strong convictions against national prohibition; but, as I argued yesterday, so long as it remains in the Constitution, it should be enforced, and certainly those charged with the solemn and difficult duty of enforcement should not have limitations imposed on them which for years your committee has been informed will seriously interfere with the effective enforcement of the law.

As to the two amendments, one offered by the gentleman from Massachusetts [Mr. TINKHAM], the other by the gentleman from Georgia [Mr. TARVER], I feel that many Members have not had the benefit of the information supplied to the committee by the officials charged with the enforcement of the law in question. They have uniformly opposed these limitations as unwise, and Congress has previously given approval to the views thus expressed by our officials.

The amendment offered by the gentleman from Massachusetts [Mr. TINKHAM], which seeks to prevent any part of the appropriation being used for wire tapping, has been before the House a number of times. After exhaustive discussion the House has regularly voted it down. You have wisely, I think, heretofore vested broad discretion in those charged with the duty of administering this fund. I make bold to assert that if you have had occasion to inquire as to how during the past few years the funds have been administered by the Department of Justice, I am confident you have found no just ground for criticism.

You know the members of the Committee on Expenditures. They differ widely on the question of national prohibition; and one of the members of this committee had strongly favored the Tinkham limitation, up to about two years ago, but after the Attorney General appeared before the committee and submitted in executive session a full and complete report of the cases in which wire tapping had been employed and gave assurance of further definite regulations he would impose to prevent abuses, the full committee were deeply impressed thereby, and little, if any, objection has been heard since from that committee about the matter so long as they felt it was carefully guarded by strict regulations.

Mr. CONNERY. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. CONNERY. Regardless of how any Member of the House may feel on the question of prohibition, is it not the general opinion throughout the country that wire tapping is a bad practice; it is unconstitutional, aside from the prohibition side of it? I mean with reference to other offenses.

Mr. OLIVER of Alabama. I am very glad the gentleman asked that question because I hope he will permit me to place before him full information as to cases in which it has been resorted to; if so, it is my firm conviction that the gentleman will be convinced that it has only been resorted to in extreme cases against the worst type of criminals that this country has ever known, and who could never probably have been detected otherwise.

Mr. DYER. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes; I yield.

Mr. DYER. They have resorted to this in States where the people have expressly legislatively prohibited it in the prosecution of State offenses.

Mr. OLIVER of Alabama. And in those States where the question has come before the courts of last resort I can show the gentleman opinions of such courts, to the effect that the statute of a State prohibiting wire tapping is not to be construed as making it unlawful for an official who may wire tap for the purpose of preventing the unlawful use of a public wire. I called attention to that some time since.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. JOHNSON of Texas. Has the Supreme Court passed upon the question of wire tapping?

Mr. OLIVER of Alabama. It has, and, by a majority vote, upheld it.

Mr. BECK. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. BECK. Did the Supreme Court uphold wire tapping, or was not the decision of the Supreme Court merely that testimony acquired in that way could not be excluded because of the method whereby it was acquired?

Mr. OLIVER of Alabama. The gentleman is correct.

Mr. BLANTON. Well, that upholds it.

Mr. OLIVER of Alabama. I thought that was really what the gentleman from Texas [Mr. JOHNSON] had in mind, in asking the question, namely, whether evidence thus procured could be offered in court.

Mr. BECK. That is a somewhat different question than stating that wire tapping was legal.

Mr. OLIVER of Alabama. The gentleman from Pennsylvania has correctly interpreted the decision of the court to which reference was made, and I am glad to correct my statement so as to make it conform to his.

The Attorney General, who will soon retire, who appeared before the Committee on Expenditures and made a statement to which I have referred, and you will find statements from him in the last two hearings before our committee about this practice, and it is his opinion that you might seriously interfere in some cases with the proper enforcement of law against dangerous criminals by imposing a limitation like this on the appropriation.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. DYER. Mr. Chairman, reserving the right to object—

Mr. LAGUARDIA. Reserving the right to object—

Mr. DYER. I couple with that the request that the gentleman from Pennsylvania [Mr. BECK] may proceed for 10 minutes after the gentleman from Alabama has finished.

Mr. OLIVER of Alabama. Mr. Chairman, I will withdraw my request.

Mr. LAGUARDIA. Mr. Chairman, I ask for recognition. I move to strike out the last word.

Mr. DYER. Mr. Chairman, the remarks of the gentleman from Alabama [Mr. OLIVER] are very instructive. I do hope that he may be able to proceed for five minutes. The gentleman has withdrawn his request under the circumstances.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that the gentleman from Alabama may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. OLIVER of Alabama. I hope the House understands that I will interpose no objection to others speaking.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. COCHRAN of Missouri. I am glad the gentleman has referred to the hearings before the committee of which I am chairman and at which the Attorney General appeared with his assistant. There is another phase of wire tapping that was not brought out at that hearing. I, too, agree with the gentleman from Alabama that the Attorney General does not want any abuse as far as wire tapping is



concerned; but I may say to the gentleman from Alabama that when this matter is analyzed carefully it will be found that the wires of reputable citizens are tapped in connection with the tapping of the criminals' wires, and there might be listening-in upon conversations that might be held between a client and his attorney. The gentleman would not approve of that.

Mr. OLIVER of Alabama. No. Under the very stringent rules and regulations laid down by the Attorney General following the hearing before the gentleman's committee it is impossible for anyone now to wire tap until it has been approved first by the chief of the field forces in Washington, next by the Director of the Bureau of Prohibition, and then only after the Attorney General or the Assistant Attorney General has given approval thereto.

Mr. COCHRAN of Missouri. That was the agreement the Attorney General made with the committee.

Mr. OLIVER of Alabama. And it has been carried out in letter and spirit, the committee is informed. After the committee suggested it, the Attorney General made the regulations referred to, and so far as our committee knows there have been no grounds for complaint since.

Further answering the gentleman from Massachusetts, there is no prohibition against wire tapping by other investigating units of the Government; and the gentleman will find they have had to resort to it in some important cases.

For instance, in cases of abduction, if this offense is not broken up in the future, wire tapping may have to be often resorted to. Otherwise you will never be able to locate the parties directly responsible for such offenses, which everyone condemns, and the punishment for which should be death, certainly in the Lindbergh case if the culprit is ever found. The development of rapid communication by radio, telephone, telegraph, has placed these instrumentalities in the hands of very dangerous criminal groups, to whom no Member of this House would consciously lend the slightest aid or support. Often, however, they are located far from the scenes of operation. They use the code system transmitted by radio, telegraph, and telephone and paid agents carry out orders thus sent, while keeping in constant contact with those far away. Sometimes such conspirators make their base of operations in foreign countries, sometimes far out at sea. No one who will take time to read the history of the exceptional cases where wire tapping has been resorted to will disapprove any action taken within the last 18 months.

In conclusion, as to these two amendments, my thought is that since you have repeatedly and wisely, I think, refused to impose these limitations on officials now in office, you can at least repose a like confidence on others who soon are to come into office. [Applause.]

[Here the gavel fell.]

Mr. OLIVER of Alabama. The following is the prepared statement which the committee authorized to be added at the conclusion of and as part of my oral remarks:

The Federal prison labor program has been the outgrowth of years of study and investigation. In its present form it is in conformity with the most progressive thought on the subject. The prison law providing for the diversification of employment of Federal prisoners was enacted as a direct outgrowth of the recommendations of a special committee appointed by the House of Representatives to investigate Federal penal affairs. This committee consisted of the Hon. JOHN G. COOPER of Ohio, chairman; WILLIAM F. KOPP, of Iowa; JOHN TABER, of New York; JOHN J. BOYLAN, of New York; and Thomas M. Bell, of Georgia. This committee recommended that additional opportunities be provided for the employment of Federal prisoners in the following words:

"EMPLOYMENT"

"The committee believes that every effort should be made to provide increased opportunity for employment of Federal prisoners.

"It is the committee's judgment that immediate steps should be taken to establish additional shops in the penitentiaries and other Federal penal institutions to make additional goods and articles which could be utilized by the United States Government. There is no doubt but that there is an ample market in the Federal Government for a sufficient quantity and variety of goods to keep all Federal prisoners employed."

In conformity with the recommendations of this committee, a bill (Public No. 271, 71st Cong.) providing for the diversification of employment of Federal prisoners, was presented to the Judiciary Committee of the House and enacted into law without

serious objection by the House of Representatives, was indorsed unanimously by the Senate, and approved by the President on May 27, 1930.

This bill had the indorsement not only of all students of the problem but also was specifically approved by the American Federation of Labor. The principles upon which this bill was founded were:

(1) To restrict the market for the products made in Federal prisons to tax-supported institutions and agencies of the Government, thus eliminating any possibility that the labor of Federal prisoners might come into direct competition with free labor and free industry. Not one single dollar's worth of goods made in Federal prisons is sold in the open market—a policy which has so far been adopted by only four or five of the States.

(2) To diversify to the maximum types of employment upon which Federal prisoners were engaged so that no single industry could have just ground for complaint that it had to bear an unfair share of the burden of what little competition resulted from the methods adopted by the Federal Government.

(3) To permit the use of as large a number of Federal prisoners as possible on manual labor in the construction and repair of roads and other public ways and works.

(4) To permit the executive branch of the Government to consider the problem as a whole and determine the specific industry which should be installed in the Federal prisons, thus eliminating political influences, logrolling, and selfish interests.

In carrying out the mandate of the Congress the Department of Justice has gone even farther and adopted the policy of not monopolizing even the Federal market for any one type of commodity and has endeavored so to regulate the output of its industries that no single group of manufacturers could have just ground to complain. It has also attempted to spread the work of its prisoners to the maximum. It has adopted the 5-day week and a 7-hour day. During the present period of unemployment the Department of Justice has decided that it would not install any additional industries if there are already in the institution any means whatever for providing employment. It does not use high-speed, automatic, or labor-saving machinery. It uses machinery only where necessary to produce a satisfactory product. No person or individual has ever suggested a practical means of employment for prisoners which has not been adopted by the Federal Government.

At the present time the following industrial activities are carried on at the various Federal prisons.

Industrial activities at Federal prisons June 30, 1932

| Institution                                       | Name of industry                    | Institution population | Number of prisoners employed |
|---|-------------------------------------|------------------------|------------------------------|
| Atlanta.....                                      | Cotton textiles.....                | .....                  | 851                          |
| Do.....   | Canvas, baskets, and mail bags..... | .....                  | 50                           |
| Do.....   | Print shop.....                     | .....                  | 15                           |
| Do.....   | Clothing.....                       | .....                  | 73                           |
| Do.....   | .....                               | 3,281                  | 989                          |
| Leavenworth.....                                  | Shoes.....                          | .....                  | 477                          |
| Do.....   | Brooms.....                         | .....                  | 52                           |
| Do.....   | Wood furniture.....                 | .....                  | 55                           |
| Do.....   | .....                               | 3,537                  | 584                          |
| Fort Leavenworth.....                             | Brushes.....                        | .....                  | 127                          |
| Do.....   | Print shop.....                     | .....                  | 53                           |
| Do.....   | Laundry.....                        | .....                  | 105                          |
| Do.....   | Dry-cleaning plant.....             | .....                  | 16                           |
| Do.....   | Ice plant.....                      | .....                  | 18                           |
| Do.....   | .....                               | 1,835                  | 319                          |
| Chillicothe.....                                  | Foundry.....                        | .....                  | 19                           |
| Do.....   | Brick plant.....                    | .....                  | 98                           |
| Do.....   | .....                               | 1,534                  | 117                          |
| Alderson.....                                     | Garments.....                       | 470                    | 70                           |
| Fort Eustis.....                                  | Salvage, bakery.....                | 640                    | 70                           |
| Camp Lee.....                                     | Sawmill, wood, furniture.....       | 635                    | 60                           |
| Total.....  | .....                               | .....                  | 1,809                        |
| All institutions.....                             | Farming.....                        | .....                  | 2,000                        |
| Camps.....  | Road work and manual labor.....     | .....                  | 800                          |
| Total population in all Federal institutions..... | .....                               | 13,698                 | .....                        |

From the foregoing it can be seen that only about 15 per cent of the Federal prisoners are engaged in industries and only about 10 per cent are engaged in activities which supply goods to other Government departments and agencies.

The adoption of an amendment providing that the prison industries working capital fund can not be used to purchase machinery for the manufacture of metal furniture is a direct reversal of the policies heretofore adopted by the Congress and approved by all of those interested in the question. It discriminates in favor of a particular industry and will compel the Government and the Congress to repudiate their solemn promises to other industries that the activities of prisoners will be diversified and the burden



of competition spread equitably. It means, moreover, that there will be absolutely no means of employing those prisoners who must be kept within the walls of the new institution in Pennsylvania unless the machinery is purchased prior to July 1, 1933, with funds now available. Stripped of its camouflage, the proposal that no machinery may be used in the manufacture of metal furniture means that this industry can not after July 1, 1934, and during that year be established. No man can cut a  $\frac{1}{8}$ -inch steel plate with hand tools or bend accurately a 12-gage sheet of metal without the help of machines. To eliminate machines in an industry such as metal furniture strikes a death blow at its establishment.

It may deprive the inmates of this prison of the right to work at productive labor. It means that those who have been placed in this institution in order to protect society may be released no better trained to work than when they entered and inevitably they might leave the prison worse than when they were received. Idleness in a prison vitiates all efforts to reform the inmate. It complicates discipline and increases maintenance costs. It makes of the prisoner a parasite rather than a producer. An idle man is a charge upon the whole community and the unemployment problem does not stop at the prison wall. Most appalling, however, is the thought that human beings are condemned by the law of the Federal Government to idleness.

Experience shows that wherever men have been crowded into an institution with no means of occupying their hands and minds, depravity, bloodshed, and riots have followed inevitably. The responsibility will not rest only upon the prison officials for the safekeeping of 1,200 men caged up within the small compass of a prison if means of occupying their time is to be denied or curtailed. Recent riots in prisons have focussed the attention of the public on this question and most of the States have been seeking a solution to this baffling problem.

In their attempts to find a remedy the States have adopted various means of employing their convicts. In Wisconsin, for example, their largest industry is a hosiery shop, employing something over 300 men on the contract-labor plan; another 125 are employed in making binder twine; and the remainder of the approximately 1,000 inmates are on maintenance tasks. In Michigan the prisoners make textiles, cement, metal furniture, brushes, and chairs. Of the Ohio prisons the Handbook of American Prisons says:

"The second striking characteristic of the prison is idleness. From 1,200 to 2,000 men are on the idle list, which is made more conspicuous by the use of the 'idle room,' in which hundreds of men spend their days sitting on benches in absolute idleness."

In New York the prison employment situation is acute and such industries as are in operation compete with private industry in substantially the same manner and to the same extent as do the Federal prisons. Everywhere the situation is critical.

The Federal Government does not now seek a complete solution of this situation. It does not hope to be able to provide employment during the present crisis for all of the inmates of the institutions. It seeks merely to stop the relative reduction in employment opportunities. The population of the Federal prisons has increased by 6,000 in the past four years and industrial employment opportunities have decreased. Since June 30, 1932, to the present date, for example, the number of men employed in Atlanta has decreased 40 per cent. Substantial reduction has also been made at Leavenworth. At the new prison at Lewisburg, Pa., the Department of Justice has suggested that employment opportunities be provided for only 12 per cent of the inmates and this only because it is vitally necessary to the safety of the institution. The investment in machinery will approximate \$25,000, and the value of the 1934 production will approximate \$40,000, which represents about one-tenth of the Government's annual purchases of such metal furniture.

Mr. LA GUARDIA. Mr. Chairman, I move to strike out the last two words.

As is always the case in the question of the prohibition appropriation, every class of criminals, and the enforcement of all criminal laws are brought in to reinforce the argument. Criminals did not create prohibition, but prohibition has made criminals. There is no comparison or analogy between the apprehension, prosecution, and punishment of a crime involving moral turpitude, a *malum per se*, and a strictly statutory artificially created offense, a *malum prohibitum*. There is nothing in the amendments before the House which would in any way disturb the practice and the efficient administration of the criminal laws of the United States Government. The detection and enforcement of the criminal laws of the United States Government are placed in the charge of the Bureau of Investigation, the head of which is Mr. J. Edgar Hoover, an excellent and efficient official. Under his administration there have been no abuses, and no commission of crime in the enforcement of the criminal laws under its jurisdiction. The trouble with the enforcement of prohibition laws, we have had as much violation of other laws on the part of officials as violations of the law itself.

I may remind the gentleman from Alabama that eight years ago I brought to the attention of this House, when one Bruce Bielaski was in charge of the undercover system of the Prohibition Bureau, the fact that several extortion cases occurred from information obtained as a result of wire tapping ostensibly for the purpose of enforcing law. It is the abuse of wire tapping in connection with the prohibition enforcement that has created the repulsion against this system of detection and has caused a storm of protest throughout the United States.

The gentleman from Alabama must admit that the House has cooperated with him, and always does in passing appropriations or enabling acts for the proper enforcement of the criminal laws, but the gentleman from Alabama has not yet realized that there is an entire change of attitude on the part of the American people on the question of prohibition. The funds which he asks, all of the money without the reduction, will not result in enforcement of the law, as we have learned from 12 years of experience. The amendments he seeks to defeat will not impair the proper lawful enforcement of the law. The practices he would continue will not aid one bit in enforcement but only place in the hands of irresponsible, petty officials a weapon of extortion and oppression.

Is there anyone here who would doubt for a minute that when the protest in New England against the practice of writs and seizures took place, which was one of the incentives which created the thought of liberation from the mother country, that had the telegraph been in existence wire tapping would have been included? Mr. Chairman, the leading case in the United States Supreme Court, the citation of which escapes me at this time, is one where Government agents broke into a home and took incriminating papers; and, although the very conviction depended upon the use of those incriminating papers, they were not admissible in evidence. Now, because we have a new means of communication, would the gentleman destroy what has taken centuries to acquire, what has taken the sacrifices of thousands and thousands of human lives to obtain, the protection of the individual only for the sake of continuing a fanatical law which has proved a failure? It is time the sponsors of prohibition realize that by their stubbornness and extreme methods they are jeopardizing the enforcement of all criminal laws. All this would not have happened, Mr. Chairman, had it not been for the attempt here to create and to make criminal something that in and of itself is not wrong. The entire enforcement of prohibition has broken down, a change of national policy on this question is soon to be brought about. We must therefore adjust ourselves to the coming change. The first thing we may properly do is to stop unlawful tactics and entrapment in the enforcement of the law. The second thing to do is to limit enforcement to sources of supply, importations, and unlawful manufacture of liquor. The retail and petty violations may be left, for the remaining period of prohibition, to the local communities. I trust the House will retain all of the amendments.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that the gentleman from New York be allowed to proceed for five additional minutes.

Mr. OLIVER of Alabama. Mr. Chairman, reserving the right to object, I move that all discussion on this paragraph close in 10 minutes.

Mr. LA GUARDIA. Why not close it now?

Mr. OLIVER of Alabama. Then, Mr. Chairman, I move that all debate on this paragraph do now close.

The motion was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. OLIVER of New York, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under considera-



tion the bill H. R. 14363, the State, Justice, Commerce, and Labor Departments, and the judiciary appropriation bill, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. OLIVER of Alabama. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. OLIVER of Alabama. Mr. Speaker, I demand a separate vote on the amendment offered by the gentleman from Massachusetts [Mr. TINKHAM] and the amendment offered by the gentleman from Georgia [Mr. TARVER].

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the amendments in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is asked.

The Clerk read as follows:

Tinkham amendment: On page 24, line 26, after the period, insert the following proviso: "Provided, That no part of this appropriation shall be used for or in connection with wire tapping to procure evidence of violations of the national prohibition act, as amended and supplemented."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. OLIVER of Alabama. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been asked.

The Clerk read as follows:

Tarver amendment: On page 24, line 26, strike out the period, insert a colon, and add the following: "Provided further, That no funds hereby appropriated shall be used for the purchase of intoxicating liquors, nor to pay informers, nor for the purchase of evidence."

The question was taken; and on a division (demanded by Mr. OLIVER of Alabama) there were—ayes 121, noes 78.

Mr. OLIVER of Alabama. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-one gentlemen present, a quorum.

Mr. BLANTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 174, nays 165, not voting 87, as follows:

[Roll No. 152]

YEAS—174

|                |                 |                 |                  |
|----------------|-----------------|-----------------|------------------|
| Amlie          | Cary            | Drane           | Hull, William E. |
| Andrew, Mass.  | Celler          | Dyer            | Jacobsen         |
| Andrews, N. Y. | Chapman         | Englebright     | Johnson, Mo.     |
| Arnold         | Chavez          | Erk             | Johnson, S. Dak. |
| Auf der Heide  | Chindblom       | Estep           | Kading           |
| Bachmann       | Clancy          | Evans, Mont.    | Kahn             |
| Bacon          | Cochran, Mo.    | Fernandez       | Kelly, Ill.      |
| Baldrige       | Cole, Md.       | Fiesinger       | Kemp             |
| Beck           | Condon          | Fitzpatrick     | Kennedy, N. Y.   |
| Black          | Connery         | Foss            | Kleberg          |
| Bloom          | Cox             | Fulmer          | Kniffin          |
| Boehne         | Cross           | Gambrill        | Knutson          |
| Bohn           | Crosser         | Gasque          | Kunz             |
| Bolleau        | Crowe           | Gavagan         | Kvale            |
| Boland         | Crump           | Gifford         | LaGuardia        |
| Boiton         | Cullen          | Gillen          | Lamneek          |
| Boylan         | Curry           | Goss            | Larrabee         |
| Britten        | Darrow          | Griffin         | Lewis            |
| Brumm          | Davis, Tenn.    | Griswold        | Lichtenwalner    |
| Brunner        | Delaney         | Hadley          | Lindsay          |
| Buchanan       | De Priest       | Hart            | Loneragan        |
| Burch          | DeRouen         | Hastings        | Lovette          |
| Burdick        | Dickinson       | Hess            | Lozier           |
| Byrns          | Dickstein       | Holmes          | McClintic, Okla. |
| Campbell, Pa.  | Dies            | Horr            | McCormack        |
| Carden         | Disney          | Howard          | McDuffie         |
| Carter, Calif. | Douglass, Mass. | Hull, Morton D. | McKeown          |

McMillan  
Maas  
Major  
Maloney  
Mansfield  
Martin, Mass.  
Martin, Oreg.  
May  
Mead  
Millard  
Milligan  
Mobley  
Montague  
Montet  
Nelson, Mo.  
Niedringhaus  
Norton, N. J.

O'Connor  
Oliver, N. Y.  
Overton  
Palmisano  
Parker, Ga.  
Parsons  
Peavey  
Perkins  
Person  
Pittenger  
Polk  
Pou  
Prall  
Pratt, Ruth  
Ragon  
Rainey  
Ransley

Reilly  
Rogers, Mass.  
Rogers, N. H.  
Sabath  
Schafer  
Schneider  
Schuetz  
Smith, Va.  
Somers, N. Y.  
Spence  
Stafford  
Stokes  
Sutphin  
Tarver  
Thomason  
Tinkham  
Treadway

Turpin  
Vinson, Ga.  
Warren  
Watson  
Welch  
West  
Whitley  
Whittington  
Wigglesworth  
Williams, Mo.  
Withrow  
Wolcott  
Wood, Ga.  
Woodrum  
Yon

NAYS—165

Adkins  
Aldrich  
Allen  
Allgood  
Almon  
Andresen  
Arentz  
Ayres  
Bankhead  
Barbour  
Barton  
Biddle  
Blanton  
Bowman  
Brand, Ohio  
Briggs  
Browning  
Bulwinkle  
Burness  
Busby  
Cable  
Campbell, Iowa  
Canfield  
Cannon  
Cartwright  
Castellow  
Christgau  
Christopherson  
Clague  
Clark, N. C.  
Clarke, N. Y.  
Collins  
Colton  
Cooper, Ohio  
Cooper, Tenn.  
Coyne  
Crail  
Crowther  
Davenport  
Doughton  
Dowell  
Driver

Eaton, Colo.  
Elzey  
Eslick  
Evans, Calif.  
Finley  
Fish  
Frear  
French  
Garber  
Gibson  
Gilchrist  
Glover  
Greenwood  
Gregory  
Guyer  
Hall, Ill.  
Hall, N. Dak.  
Hancock, N. Y.  
Hardy  
Haugen  
Hawley  
Hill, Ala.  
Hill, Wash.  
Hoch  
Hogg, Ind.  
Hogg, W. Va.  
Holaday  
Hollister  
Hooper  
Hope  
Hopkins  
Houston, Del.  
Huddleston  
Jeffers  
Johnson, Ill.  
Johnson, Okla.  
Johnson, Tex.  
Jones  
Keller  
Kelly, Pa.  
Ketcham  
Kinzer

Kopp  
Lambertson  
Lambeth  
Lanham  
Lankford, Ga.  
Leavitt  
Loofbrow  
Luce  
Ludlow  
McClintock, Ohio  
McFadden  
McGugin  
McReynolds  
McSwain  
Magrady  
Mapes  
Michener  
Miller  
Mitchell  
Moore, Ky.  
Moore, Ohio  
Morehead  
Mouser  
Murphy  
Nelson, Me.  
Nelson, Wis.  
Nolan  
Norton, Nebr.  
Oliver, Ala.  
Parker, N. Y.  
Parks  
Partridge  
Patman  
Patterson  
Pratt, Harcourt J.  
Purnell  
Ramseyer  
Ramspeck  
Rankin  
Rayburn  
Reed, N. Y.  
Robinson

Sanders, N. Y.  
Sanders, Tex.  
Sandlin  
Seiberling  
Selvig  
Shallenberger  
Shott  
Shreve  
Simmons  
Sinclair  
Smith, Idaho  
Snell  
Snow  
Steagall  
Stevenson  
Strong, Kans.  
Strong, Pa.  
Summers, Wash.  
Summers, Tex.  
Swank  
Swanson  
Swick  
Swing  
Taber  
Taylor, Colo.  
Taylor, Tenn.  
Temple  
Thatcher  
Thurston  
Timberlake  
Underhill  
Vinson, Ky.  
Wason  
Weeks  
Williamson  
Wilson  
Wingo  
Woodruff  
Wright

NOT VOTING—87

Abernethy  
Bacharach  
Beam  
Beedy  
Bland  
Brand, Ga.  
Buckbee  
Carley  
Carter, Wyo.  
Cavicchia  
Chase  
Chipherfield  
Cochran, Pa.  
Cole, Iowa  
Collier  
Connolly  
Cooke  
Corning  
Culkin  
Davis, Pa.  
Dieterich  
Dominick

Douglas, Ariz.  
Doutrich  
Doxey  
Drewry  
Eaton, N. J.  
Fishburne  
Flannagan  
Flood  
Free  
Freeman  
Fulbright  
Fuller  
Gilbert  
Golder  
Goldsborough  
Goodwin  
Granfield  
Green  
Haines  
Hall, Miss.  
Hancock, N. C.  
Hare

Harlan  
Hartley  
Hornor  
Igoe  
James  
Jenkins  
Johnson, Wash.  
Kennedy, Md.  
Kerr  
Kurtz  
Lankford, Va.  
Larsen  
Lea  
Lehlbach  
McLeod  
Manlove  
Owen  
Pettengill  
Reid, Ill.  
Rich  
Romjue  
Rudd

Seger  
Shannon  
Sirovich  
Smith, W. Va.  
Sparks  
Stalker  
Stewart  
Stull  
Sullivan, N. Y.  
Sullivan, Pa.  
Sweeney  
Tierney  
Underwood  
Weaver  
White  
Williams, Tex.  
Wolfenden  
Wolverton  
Wood, Ind.  
Wyant  
Yates

So the amendment was agreed to.

The following pairs were announced:

On this vote:

Mr. Rudd (for) with Mr. Rich (against).  
Mr. Carley (for) with Mr. Kurtz (against).  
Mr. Corning (for) with Mr. Jenkins (against).  
Mr. Sullivan of New York (for) with Mr. Goldsborough (against).  
Mr. Douglas of Arizona (for) with Mr. Stull (against).  
Mr. Buckbee (for) with Mr. Goodwin (against).  
Mr. Wolfenden (for) with Mr. Fuller (against).  
Mr. Bacharach (for) with Mr. Stalker (against).  
Mr. Granfield (for) with Mr. Cochran of Pennsylvania (against).  
Mr. Cooke (for) with Mr. Culkin (against).  
Mr. Connolly (for) with Mr. Green (against).

Until further notice:

Mr. Bland with Mr. Wood of Indiana.  
Mr. Lea with Mr. Hartley.  
Mr. Brand of Georgia with Mr. Free.



Mrs. Owen with Mr. Davis of Pennsylvania.  
 Mr. Pettengill with Mr. Chipperfield.  
 Mr. Romjue with Mr. Manlove.  
 Mr. Weaver with Mr. Lehlbach.  
 Mr. Hare with Mr. Johnson of Washington.  
 Mr. Gilbert with Mr. Beedy.  
 Mr. Flannagan with Mr. Carter of Wyoming.  
 Mr. Drewry with Mr. Reid of Illinois.  
 Mr. Collier with Mr. Cavicchia.  
 Mr. Kerr with Mr. McLeod.  
 Mr. Larsen with Mr. Chase.  
 Mr. Dominick with Mr. Seger.  
 Mr. Underwood with Mr. Doutrich.  
 Mr. Williams of Texas with Mr. Eaton of New Jersey.  
 Mr. Hancock of North Carolina with Mr. Sullivan of Pennsylvania.  
 Mr. Flood with Mr. White.  
 Mr. Doxey with Mr. Wolverton.  
 Mr. Haines with Mr. James.  
 Mr. Fishburne with Mr. Wyant.  
 Mr. Hall of Mississippi with Mr. Yates.  
 Mr. Abernethy with Mr. Cole of Iowa.

Mr. BACHMANN. Mr. Speaker, the following Members, if present, would have voted "aye": Mr. GOLDER, Mr. McLEOD, Mr. LANKFORD of Virginia, and Mr. FREEMAN.

Mr. RAINEY. Mr. Speaker, the following Members, if present, would vote "aye": Mr. SIROVICH, Mr. SMITH of West Virginia, Mr. BEAM, Mr. HONOR, Mr. HARLAN, Mr. TIERNEY, Mr. STEWART, Mr. KENNEDY of Maryland, Mr. IGOE, Mr. DIETERICH, and Mr. SHANNON.

Mr. BUSBY. Mr. Speaker, the gentleman from Maryland, Mr. GOLDSBOROUGH, is unavoidably absent. If present, he would vote "no."

Mr. PALMISANO. Mr. Speaker, the gentleman from Maryland, Mr. KENNEDY, is unavoidably absent at a funeral. If he were present, he would vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. OLIVER of Alabama, a motion to reconsider the vote whereby the bill was passed was laid on the table.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHANNON, for to-day, on account of important business.

To Mr. HARE (at the request of Mr. McMILLAN), indefinitely, on account of important business.

To Mr. RUDD, indefinitely, on account of illness.

To Mr. SULLIVAN of New York, indefinitely, on account of illness.

To Mr. HANCOCK of North Carolina, until Thursday, February 2, on account of illness in his family.

#### RATIFICATIONS OF THE TWENTIETH AMENDMENT

The SPEAKER laid before the House a communication from Guy B. Park, Governor of the State of Missouri, announcing that the legislature of that State had ratified the proposed amendment to the Constitution of the United States fixing commencement of the term of President, Vice President, and Members of Congress, and fixing the time of the assembling of Congress.

The SPEAKER also laid before the House a communication from C. D. Buck, Governor of Delaware, announcing that the General Assembly of Delaware had ratified the proposed amendment to the Constitution fixing the term of commencement of the President, Vice President, and Members of Congress, and fixing the time of the assembling of Congress.

The SPEAKER also laid before the House a communication from Clarence D. Martin, Governor of the State of Washington, announcing that the legislature of that State had ratified the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President, Vice President, and Members of Congress, and fixing the time of the assembling of Congress.

#### THE BANKRUPTCY BILL

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting in the Record

a memorandum prepared by the Solicitor General on the bill, H. R. 14359, the so-called McKeown-LaGuardia bankruptcy bill.

The SPEAKER. Is there objection?

Mr. BANKHEAD. Reserving the right to object, what is this, a criticism of the bill; what is the nature of it?

Mr. MICHENER. There was no opportunity given the Solicitor General to come before the committee to suggest amendments. This suggests amendments which we hope to offer to the bill. Many Members of the House are making inquiries about the matter, and I know of no way that we can get it before the House except to publish it in this way. It will be in to-morrow's RECORD, so that there will be some opportunity to present the matter, which we can not do if it is passed under suspension of the rules.

Mr. LA GUARDIA. Mr. Speaker, I reserve the right to object, though I shall not do so, in order to say that the gentleman from Michigan is slightly in error when he says that there was no opportunity for the Solicitor General to present his views. The matter under discussion has been under consideration by a joint committee of the House and Senate for several months. The Solicitor General presented his views repeatedly. He made his recommendations. He conferred with members of the committee, and he has had every opportunity to present his views.

Mr. BANKHEAD. Mr. Speaker, I withdraw my reservation of objection.

Mr. MICHENER. Mr. Speaker, in answer to the gentleman from New York, let me say that the Solicitor General did not appear before the Committee on the Judiciary of the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following memorandum prepared by the Solicitor General on the bill H. R. 14359, the so-called McKeown-LaGuardia bankruptcy bill:

JANUARY 26, 1933.

#### MEMORANDUM RE H. R. 14359

(House Calendar No. 300; Rept. No. 1897)

This bill proposes to amend the bankruptcy act by repealing sections 12 and 13 and adding a new chapter—Chapter VIII. Provisions for the relief of debtors.

The bill extends to debtors unable to pay their debts in due course and to their estates the protection of the court pending negotiations with their creditors for the extension or composition of their debts, in the case of individuals, and the readjustment of their debts, in the case of corporations, through the adoption of plans of reorganization. When approved by requisite majorities of the creditors and confirmed by the court these arrangements are made binding upon dissenting minorities under conditions which are intended to afford protection to minority interests. Relief is afforded under a process which does not carry the stigma of adjudication in bankruptcy. Adjudication may follow the debtor's failure to reach agreement with his creditors; but if the arrangement is approved and confirmed there can be no adjudication, and the debtor may obtain relief without reproach and be restored to gainful pursuits of benefit to himself and his creditors.

The process designed to accomplish these general purposes is set forth in three main sections of the new Chapter VIII proposed to be added to the present bankruptcy act, section 74 providing for compositions and extensions and being applicable to individual debtors, section 75 providing for corporate reorganizations, and section 76 providing for the reorganization of railroads engaged in interstate commerce.

As reported, the bill seems to require certain amendments of a more or less formal or technical character, which will be treated in a separate memorandum. The following comments are believed to present matters of more fundamental importance:

#### SECTION 74. COMPOSITIONS AND EXTENSIONS

In brief, this section is intended to provide a process for the voluntary readjustment, either by composition or by extension of the time of payment, of the indebtedness of the individual debtor who appears in court and makes such a proposal to his creditors.

In subsection (e) clause (1) the debtor may apply for the confirmation of his proposal after it has been accepted in writing by a majority in number of all creditors whose claims are affected by an extension proposal, which number must represent a majority in number and amount of such claims; and in clause (2) there is a further provision that failing to obtain the acceptance of a majority in number of all creditors, as required in clause (1), the debtor may nevertheless file a proposal for an extension, which after hearing as provided in subsection (f) the court may confirm as provided in subsection (g) if satisfied that (1) it includes an



equitable and feasible method of liquidation for secured creditors whose claims are affected and for the financial rehabilitation of the debtor; (2) it is for the best interests of all creditors; (3) that the debtor has not been guilty of any of the acts, or failed to perform any of the duties, which will be a ground for denying his discharge; and (4) that the offer and its acceptance are in good faith, and have not been made or procured except as herein provided, or by any means, promises, or acts herein prohibited. The proposal, when confirmed, becomes binding upon the debtor and his secured and unsecured creditors "provided that such extension or composition shall not impair the lien of any secured creditor but shall affect only the time and method of its liquidation."

Such process as this is open to the objection that a secured creditor may not be delayed in the enforcement of his security without his consent, or (as in the case of negotiable bonds secured by a trust indenture) without the consent of a majority of those entitled to participate with him in the enforcement of the security. The Supreme Court, in *Isaacs v. Hobbs* (282 U. S. 734) and in *Stratton v. New* (383 U. S. 318), has recognized the right of a bankrupt court to enjoin foreclosure proceedings in other courts affecting property within its jurisdiction—upon the principle, however, that the court is engaged in an orderly liquidation of the debtor's property, and may itself provide for the enforcement of the rights of the secured creditors. But the proceeding here in question is intended to avoid liquidation by a process of composition or agreement between the debtor and his creditors. Clause (2) of subsection (e) dispenses with the necessity of any agreement and permits the court to stay all creditors in the enforcement of their claims and liens without the consent of any of them, provided the extension shall not impair the lien and shall affect only the time and method of its liquidation.

This is a drastic extension of the power of a bankruptcy court, which under subsection (p) will be exercised by referees, receiving purely nominal compensation, appointed to administer the provisions of the statute in each county of the United States. The exercise of such power without the consent of creditors would be susceptible of grave abuse and injustice in its administration. If clause (2), commencing in line 1 on page 5 and continuing to include the words "are affected," in line 10 on the same page, is stricken out, the confirmation of the debtor's proposal will depend upon the assent of a majority in number and amount of his creditors. Questions which have not before been presented in the court may arise under this section involving the rights of secured creditors who do not agree to postpone the enforcement of their liens, but these novel questions involving the extent of the bankruptcy power may well be left for determination when they arise in the courts.

The compensation to be paid to referees in proceedings under this section, as provided in subsection (o), appears to be entirely inadequate either to fairly compensate the referees who are now serving or to make possible the appointment of qualified referees as contemplated in subsection (p). The referees are given broad powers, in the exercise of which minority creditors will be prevented from enforcing contractual rights. Persons who are not qualified to perform their duties with intelligence, independence, and courage should not be intrusted with such responsibility. Lines 5 to 15 on page 9 should therefore be stricken out.

#### SECTION 75. CORPORATE REORGANIZATIONS

This section, with modifications considered desirable, follows very closely the provisions of a bill introduced on June 15, 1932, by Senator HASTINGS (S. 4921), which was drafted in this department. Several minor and formal amendments are necessary and will be suggested in a separate memorandum.

There has been included in subsection (m) the provision:

"Whenever in this act the words 'receiver' or 'trustee' are used, the same shall mean a natural person; excepting, however, upon good cause affirmatively shown by any interested party or parties that it is for the best interests of the debtor or the plan generally, the court may appoint a corporation, but such corporation shall not be appointed in a multiplicity of cases."

It is not clear whether this provision was intended to have application to all estates administered in bankruptcy or merely to proceedings under section 75 of this bill. It should, in any event, be limited in its application to proceedings under this section, and if so limited there is no reason for referring to "receivers" because receivers are not appointed under section 75.

Unless limited to reorganization proceedings, this section will disrupt the administration of bankrupt estates by corporate trustees in some of our larger cities, notably New York, Detroit, and Chicago, and will restore conditions which previously resulted in grave abuses. The whole subject is dealt with in the report of the Attorney General to the President under date of December 8, 1931 (S. Doc. 65, 72d Cong., 1st sess.), and proposals were there made which are still under consideration by Congress designed to secure much-needed improvement in the administration of bankrupt estates by trustees and receivers qualified through experience to conduct the business of estates in bankruptcy. Reference is made to pages 31 to 38 and 107 to 123 of the Report of the Attorney General, which proposed fundamental changes in the qualification and selection of trustees and receivers, and to the President's statement in his message of February 29, 1932:

"The choice of the liquidating personnel should be limited to competent individuals or organizations after careful consideration by the courts of their qualifications and ability to maintain an efficient and permanent staff for the conduct of the business. The compensation for such services should be upon a scale which will attract trained business organizations."

Until these proposals, and the facts upon which they are predicated, have been given consideration by Congress, and conclusions have been reached as to the best methods for procuring the employment of a trained personnel in the administration of bankrupt estates, there should be no interference with the efforts of the judges to procure, through the employment of responsible corporate receivers and trustees, an efficient administration of estates in bankruptcy. A return to the haphazard selection of individuals untrained in such business, and having no permanent organization or staff at their command for its conduct, would lead to serious abuses. Certainly, without hearing the judges charged with the responsibility for the administration of the law, Congress would not be justified in yielding to the suggestions of lawyers that a law be passed preventing the judges from exercising their discretion in the appointment of receivers or of trustees where the statute imposes the responsibility of selection upon them. Section 45 of the bankruptcy act expressly authorizes the employment of corporate trustees.

The whole question is one which should be dealt with when Congress comes to consider bills now pending for the general revision of the bankruptcy act. Subsection (m) of section 75 should be omitted from this bill. If this provision is applicable to all proceedings in bankruptcy, it limits the creditors as well as the courts in their selection of trustees.

Aside from formal amendments to be included in a separate memorandum, and the elimination of subsection (m), section 75 provides for a process of reorganization in the bankruptcy courts which will vastly improve the existing process in equality and will greatly facilitate the voluntary readjustment of corporate debts.

#### SECTION 76. REORGANIZATION OF RAILROADS ENGAGED IN INTERSTATE COMMERCE

This section, a revision of the provisions of section 75 relating to corporations generally, has been changed substantially so as to give the Interstate Commerce Commission broad powers in the initiation, formulation, and approval of any plan for the reorganization of a railroad corporation which is engaged in interstate commerce.

In subsection (c) the court, in its selection of trustees, temporary or permanent, is limited to those persons recommended by the Interstate Commerce Commission. By clause (8) of subsection (c) the court, on its own motion or at the request of the Interstate Commerce Commission, may refer matters for consideration and report to special referees who are to be appointed by the President, by and with the advice and consent of the Senate. In determining and fixing the compensation of these referees the court may act only with the approval of the Interstate Commerce Commission.

In subsection (d) the commission is given power to formulate the plan of reorganization, and creditors and stockholders may not be asked to accept any plan of reorganization until the commission, after a hearing, has proposed a plan which has its approval. The plan thus evolved and approved by the commission is not transmitted to the court until it has been accepted in writing by the requisite majorities of creditors and stockholders, and until after the commission has reopened the proceeding and determined under subsection (f) all of the matters recited therein. Many of these matters require judicial determination, after hearing before a judge who has not already determined the questions presented for decision. It will be noted that under the corresponding subsection (f) of section 75 all of these matters are determined by the judge. Comparison of these corresponding sections will show that functions of the court to have been bodily transferred to the commission.

Upon decision of all these judicial questions by the commission, subsection (g) confines the court to a consideration of the plan accepted by the majority and approved by the commission, upon the findings of the commission and the record of the proceedings before it. In the report of the committee it is stated:

"Subsection (g) provides for the necessary court of review, but the commission transmits the approved plan, its findings, and the record to the court. The court's review must be based upon the record made before the commission. This is specifically so provided to avoid new hearings or a commencement of the proceedings de novo by the court upon the plan."

It thus appears that the Interstate Commerce Commission, having itself determined in advance that the plan which it proposes is fair and equitable, shall thereafter hear and determine the rights of individual security holders who are entitled to come into a court and be heard upon a question already determined by the commission in their absence, and before any opportunity has been afforded them to consider the provisions of the plan proposed and approved by the commission. (Compare subsections (d) and (f).)

This situation presents a fatal objection to the provisions of subsections (f) and (g) of section 76.

Furthermore, there are questions to be determined by the court which will not be included in the record of the proceedings before the commission, but which must be considered by the court in concluding whether the plan proposed and approved by the commission may be confirmed over the objection of dissenting security holders whose interests will be affected. For instance: Under clause (4) of subsection (c) questions affecting the validity of claims and liens, the division of creditors and stockholders into classes for the purposes of the plan; the determination of priorities, and many other matters affecting the equities as between groups of contending security holders, will undoubtedly arise for determination by the court. Another matter directly related to the rights of security holders to approve and participate in the



plan is the solvency or insolvency of the corporation, which the judge must determine under subsection (e).

These questions, having been decided by the court, must be considered in their bearing upon the confirmation of the plan, but under the provisions of subsection (g) are all excluded from the consideration of the court unless they have been made part of the record before the commission.

The very purpose of subsection (d) is that the commission shall take the lead in formulating a plan acceptable to two-thirds of the security holders of each class whose rights are to be affected by it. This is perhaps the most important function the commission will have to perform. It is nonjudicial because the action of the commission, to be effective, must, under the terms of the statute, be approved by two-thirds of the security holders of each class. The process is one of conciliation, not of adjudication. The commission will inevitably be required to consider the demands of the various groups of security holders and will not be in a position to resolve their conflicting claims unless agreement results from a process of trading over the provisions of the plan which is to be finally approved by the commission and accepted by the security holders. It being the function of the commission to formulate and approve the plan and to control the negotiations which lead to its acceptance by the security holders, it is obviously improper to give the commission the power to pass judgment upon questions directly affecting the property interests of the security holders whom it must conciliate. The two functions should not be exercised by the commission.

The creation of an impartial, disinterested, responsible agency which may lead and control the negotiations by which the requisite majorities of security holders may be brought into agreement upon the acceptance of a railroad reorganization plan approved by the commission will go very far toward solving the abuses which have been incident to railroad reorganizations in the past. The commission should have this power and in its exercise should have the widest powers of inquiry. It should be free to consider whether the plan is fair and equitable from the standpoint of the security holders and financially sound and desirable in the public interest.

In exercising its judgment upon a plan the commission should be fully informed regarding all fees, costs, and allowances, and should be free to condition its approval of the plan upon such expenses being kept within limits which it deems to be reasonable and in the public interest. Unless upon consideration of all these matters the commission shall affirmatively approve the plan, no court should be authorized to make it effective. But when the plan has thus been approved by the commission there must be a full judicial hearing before the court for those security holders whose interests will be affected by the confirmation of the plan and who have not accepted it.

A hearing before the commission, which has approved and recommended the plan, will not suffice, even though its conclusions may be subject to review in the court. It is important, in the interests of fair play and due process in the administration of justice, that the Interstate Commerce Commission should not be required to sit in judgment upon its own acts. Subsection (f), as presently drawn, requires it to do so, and subsection (g) confines the review of its determination to the record before the commission, which, as heretofore pointed out, may be entirely inadequate.

The inconvenience to security holders (particularly those in the minority) of traveling to Washington in order to appear before the commission in opposition to the plan which the commission has already formulated and approved should be considered in this connection.

Fortunately, section 76, having been predicated upon the provisions of section 75, may be easily amended so as to fully accomplish the important purposes of this legislation, as follows:

Leaving subsection (d) as it is, the commission will have full power to initiate and control negotiations leading to the formulation of the plan.

A merely formal amendment of subsection (e) is required, changing the word "transmitted," in line 15, to the word "approved," and striking out, in line 16, the words "to the court." Thus all the powers specified in subsections (d) and (e) are retained.

There should then be inserted a new subsection (f), defining with precision the powers of the commission, reading as follows:

"(f) A plan of reorganization, upon acceptance, shall be submitted to the Interstate Commerce Commission, which shall hear all interested parties upon such notice and subject to such rules and regulations as it shall prescribe. If after such hearing the commission determines (1) that the plan is equitable and does not discriminate unfairly in favor of any class of creditors or stockholders; (2) that all amounts to be paid by the debtor, or by any corporation or corporations acquiring the debtor's assets, for services or expenses incident to the reorganization and cost of financing have been fully disclosed and are in its opinion reasonable; and (3) that in respect of the financial advisability of the plan and the issue of securities pursuant thereto the consummation thereof is in all respects compatible with the public interest, the commission shall thereupon certify to the court its approval of the plan, with a report of the proceedings before it and its findings and conclusions thereon. The commission shall also fix the maximum compensation which may be allowed by the court pursuant to clause (7) of subsection (c) of this section, provided that unless good and sufficient reasons appear therefor no allowance for fees or compensation shall be made to officers of corporations who have acted as managers or in any capacity in con-

nection with the reorganization when such corporation had an interest in the matter. No plan of reorganization shall be confirmed in any proceeding under this section except upon the approval of the Interstate Commerce Commission thus certified to the court. If the commission shall decline to issue such a certificate it shall file in the proceedings before it its decision, specifying the particular grounds upon which it bases its disapproval of the plan."

Subsection (f) then becomes (g) and should be amended as follows: Strike out lines 11 to 15, inclusive, and the first two words in line 16, on page 33, and substitute in lieu thereof:

"(g) Upon such approval by the Interstate Commerce Commission, and after hearing such objections as may be made to the approved plan, the judges shall confirm the plan if satisfied (1)."

On page 35, line 3, insert after the word "charter" "or under applicable State or Federal laws," and strike out the words "and should be granted for that" and all that follows up to and including line 5, on page 36, these provisions having already been covered by the new subsection (f) above quoted, with such modifications as are disclosed in the quotation.

Subsection (g) then becomes (h) and should be amended by striking out lines 6, 7, 8, and 9 and the first word in line 10, and inserting in lieu thereof:

"(h) Upon confirmation by the judge, the provisions of the plan shall be binding upon (1)."

Substitute "confirmation" for "approval," in line 20, on page 36; strike out the sentence commencing in line 22 and add the following, at line 22, page 36:

"Upon confirmation of the plan by the judge, the debtor and other corporations affected by the plan, or organized or to be organized for the purpose of carrying out the plan, shall have full power and authority to put into effect and carry out the plan and the orders of the judge relative thereto, the law of any State or the decision or order of any State authority to the contrary notwithstanding; and they shall be, and they are hereby, relieved from the operation of the 'antitrust laws,' as designated in section 1 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, and of all other restraints or prohibitions by law, State or Federal, in so far as may be necessary to enable them to do anything authorized or required by the plan or by any order made under and pursuant to the provisions of this section."

Subsections to be relettered accordingly and cross references corrected to conform.

These rather simple amendments will eliminate all confusion in regard to the functions to be exercised by the commission and by the court, and will, it is thought, remove the most fundamental objections to the bill in its present form.

Clause (8) of subsection (c), page 29, contains a provision that the President shall appoint special referees by and with the advice and consent of the Senate, to whom the court may, on its own motion or at the request of the Interstate Commerce Commission, refer matters for consideration and report, either generally or upon specified issues. It is expressly provided that these special referees shall sit in Washington, D. C., and in such other places as may be designated in any instance by the judge referring the matter to them. In allowing compensation for services to these special referees the action of the judge is made subject to the approval of the Interstate Commerce Commission.

These provisions seem to ignore the fact that the principal questions required to be determined by special referees will undoubtedly require the hearing of witnesses and the determination of questions of law relating to the validity of claims against the corporation; the priority, validity, and extent of the liens of secured creditors; the title to property in the possession of the trustee claimed by third parties; and a host of other questions affecting the rights of creditors and security holders against the corporation and among themselves, as well as all of the legal questions which may arise out of the operation of the railroad during the pendency of the proceeding, and to which the trustee will be a party.

In the settlement of such controversies the special referee will necessarily be required to spend most of his time in the jurisdiction where the court is sitting rather than in Washington. No specialist in the law is required to sit in all cases. The questions which will arise are of general application, affecting the rights of creditors and security holders, and the interpretation of agreements, mortgages, and trust indentures. It would be inconvenient to have such special referees living in Washington, where few, if any, such proceedings will be instituted, and it is thought desirable that such referees should be immediately available to the court, and that their selection should be uninfluenced by any considerations except their qualifications for the tasks which may be assigned to them. It is believed that a number of lawyers qualified to act as special referees in such proceedings should be designated by the judges of the circuit courts of appeal in each circuit.

Political appointment of judicial officers for short and temporary terms is contrary to American tradition. Life appointment is of course out of the question. The circuit judges in each circuit may be counted upon to choose those lawyers who are best qualified: First, because they are in a position to know the qualifications of the lawyers appearing before them, and, second, because they are themselves concerned that the work of the special referees be well done, for they themselves will be required in case of appeal to review their decisions. Accordingly, the following amendment is proposed:



Strike out all of lines 17 to 25, on page 29, and lines 1 to 13, inclusive, on page 30, and substitute the following:

"(8) may on his own motion or at the request of the Interstate Commerce Commission refer any matters for consideration and report, either generally or upon specified issues, to one of several special masters who shall have been previously designated to act as special masters in any proceedings under this section by the judges of the circuit court of appeals for the circuit in which the proceedings are pending, and may allow such master a reasonable compensation for his services. The circuit judges in each circuit shall designate three or more members of the bar as such special masters whom they deem qualified for such services, and shall from time to time revise such designations by changing the persons designated or reducing or adding to their number, as the public interest may require: *Provided, however,* That there shall always be three of such special masters qualified for appointment in each circuit. For all purposes of this section 76, claims against."

Subsection (m) of section 76 obviously does not have application to a railroad corporation which can not be liquidated or adjudicated bankrupt. The following amendment is therefore suggested:

"(m) In proceedings under this section 76, except as otherwise provided therein, the jurisdiction and powers of the court, the duties of the debtor, and the rights and liabilities of creditors, and of all persons with respect to the property of the debtor, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the debtor's petition was filed."

Aside from more or less formal and technical amendments, which will be included in a separate memorandum, the foregoing are believed to include the changes fundamentally necessary in section 76.

THOMAS D. THACHER, *Solicitor General.*

EXTENSION OF REMARKS—DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL, FISCAL YEAR 1934

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their own remarks on the appropriation bill just passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. KERR. Mr. Speaker and Members of the House, since I have been in Congress I have on many occasions made close contact with the commodity divisions of the Bureau of Foreign and Domestic Commerce; I have gotten the most efficient service possible, and I want to add my commendation and go upon record in deep appreciation of the effectiveness of this service in the promotion of the export trade of the United States and the clear, concise understanding manifested by those who have charge of these matters in our domestic problems, as well as their accurate understanding of world conditions; this information and this service are especially useful at this time.

I have had occasion many times to refer matters to the commodity divisions of the Department of Commerce in my endeavor to take care of legislation which affected the vital welfare of the peanut and tobacco growers of the Nation; the splendid service which I have received has enabled me to have accurate knowledge of all facts which would be useful in the consideration of legislation involving these great agricultural industries, and I think the information which I have gotten through this governmental service has enabled me to render most useful service in my effort to vouchsafe the interests of my own constituents as well as many million farmers throughout the United States.

I have every reason to believe that the commodity divisions of the Department of Commerce are staffed with intelligent and industrious men drawn from business and trades and advised by those who have had large experience in our industrial activities as well as the industrial activities of other nations. If you want information about imports, exports, or tariff regulation and embargo restrictions, you can get it and feel perfectly safe in asserting it. This is a great comfort to those who like to confine themselves to facts when they are engaged in controversial matters.

I have been informed that through the commodity divisions and foreign offices of the Department of Commerce more than \$47,000,000 of American business has been secured through foreign sales and savings during the last fiscal year. This department serves continuously over 24,000 export firms, and more than 50,000 business organizations make use of the bureau's domestic-trade service. It appears that the

demands made upon the commodity divisions are increasing each year. I am informed that letters to the lumber division have doubled since 1929, and that curtailment of private sources of business information because of economic conditions, as well as the faith in the accuracy of this department of our Government, has compelled business to turn to this department for information it can not acquire through any other source. And I refer to both domestic and foreign business.

The service of the tobacco division in fortifying our exporters and cooperative associations with timely and accurate information regarding demands, competition of foreign tobaccos, trends in consumption and trade, tariff changes, credit risks, and so forth, is playing an important part in promoting our foreign trade. The tobacco trade is about the only foreign trade we can boast of now. During the past 10 years about 40 per cent of our total production of leaf tobacco has been exported to more than 100 countries, and it is an economic necessity to more than 500,000 tobacco growers that every agency be kept active to promote demands for our surplus production. To destroy the tobacco industry or even neglect it would imperil the greatest tax-producing commodity of this Nation.

Mr. LEA. Mr. Speaker, the action of the House in reducing appropriations carried in this bill for prohibition enforcement deals with only one superficial phase of this problem. The country hopefully awaits the action of Congress on many serious and important problems, of which prohibition repeal is one. This is the most controversial and the most concrete and definitely understood of all the important problems pressing for action by Congress. The issue is a simple one. There is no other problem that consumes our attention whose elimination from Congress and national politics would do more to clear the way for intelligent thinking and acting on the other great problems of the country.

The public sentiment of the Nation is fairly well crystallized on one general proposition, and that is that the will of the people of the country, constitutionally expressed, must determine what shall be done with the eighteenth amendment. The duty now clearly rests upon Congress to determine how the people of the country shall exercise this right to decide whether or not the eighteenth amendment shall be repealed.

Shall Congress keep faith with its duty on this question?

The proposal that the question be referred to the legislatures of the States was, in effect, repudiated in the platforms of both major parties in the last campaign. Each of these platforms promised State conventions. The substance of this promise was that the people themselves, through the election of delegates to conventions in the States, would be given the power to decide what should be done with the eighteenth amendment.

Three main steps must be considered in any plan of repeal by popular action. In any event, the first step is the submission of the question by two-thirds vote in each House of Congress.

The second step to be considered is as to what, if any, action must be taken by the State legislatures to authorize or provide for conventions, or for a popular vote on the question. Is it legally necessary that the legislature must authorize or call a State convention to comply with the Constitution? If it be not necessary for the legislature to authorize the convention, would it be a practical method of procedure for the Federal Government to ignore the State legislatures, authorize the convention, fix the manner of electing delegates thereto, the date of the convention, and other necessary details? These are the two main questions as to procedure that Congress must answer in adopting its policy of submission.

If it is unnecessary for the State legislatures to intervene in the matter, their omission can greatly facilitate prompt action upon the question of ratification in the States. Congress can call the conventions, fix the date, thereof, and make all other provisions necessary to conduct the election of delegates and hold the convention. Under this method of procedure all the States of the country can act upon ratifi-



cation within a very few months after the question is submitted.

The proposal of action in the State through conventions without State approval is a new and somewhat uncharted route. The details of the plan are not insuperable. The main problems are only whether or not there is constitutional authority for such procedure and whether or not it be a practical method.

The practicability of the plan is a question of public policy. From the standpoint of the proponents of repeal, it is a practical method of procedure unless the degree of opposition it incurs, due to the conduct of elections and the holding of conventions in the States without approval of the legal authorities thereof, would menace the success of the effort for reasons not going directly to the merits of the problem involved.

Without attempting to add anything to what has already been said in this controversy as to the rights of the Federal Government in acting through conventions without the consent of the States, let us consider a procedure for popular repeal which is free from the question of Federal conventions without State approval.

This brings us to the third step that must be considered, and that is as to the kind of election that shall be held by which the will of the people of the United States on this question shall be registered and made effective.

#### A DIRECT VOTE ON REPEAL

Under the convention plan the election of delegates and the holding of conventions are incidental to the main purpose of securing a vote of the people upon the question. The injection of the election of delegates and the holding of conventions are necessary only to comply with the technical provisions of the Constitution. They serve no other useful purpose. Otherwise, undoubtedly, it would be preferable to dispense with the delegates as well as the convention and let the people decide the question by a direct vote on the main question of repeal. The entire substance of the promise to refer the problem to State conventions can be kept by submitting to the State legislatures an amendment authorizing a direct vote for and against the repeal of the eighteenth amendment. That would afford the State legislature a chance to block action by this procedure, but that is improbable, because it is unlikely any, or any considerable number of legislatures, would refuse the people the simple right to vote on the question.

With this purpose in mind, I have filed House Joint Resolution 534, which provides for the submission to the State legislatures of an amendment authorizing a direct nationwide controlling vote on the repeal of the eighteenth amendment.

This method of procedure requires, of course, the submission of the amendment to the State legislatures. In the second place it requires action by three-fourths of the legislatures to ratify the amendment, authorizing a referendum vote on repeal. The vote would follow automatically, be directly on the question of repeal, the election would be conducted by the State, and the question as to the constitutionality of the method of procedure as well as to the rights of the States are thus eliminated from this plan of procedure.

If three-fourths of the States by popular vote concurred in favor of repeal, the eighteenth amendment would thereby cease to be part of the Constitution.

As I view the matter, this proposal can secure the maximum number of votes in Congress and in our State legislatures. It does not require a committal by Congress or by the State legislatures on the question of repeal, but simply gives the people themselves the right to repeal the eighteenth amendment by their direct votes on that question.

A direct vote on the question appeals to the average man.

The plan is more understandable and free from complications that require explanation.

It eliminates all uncertainty as to the date when the election shall be held and as to what authority shall conduct the election.

It would permit the Federal Government to bear the expense and thus avoid the delay incident to any plan that

leaves it optional with the State as to when or whether it shall act.

This proposed plan provides for repeal and conforms to the present practice of amending the Constitution by requiring concurrence of three-fourths of the States. A majority vote would be required in each of three-fourths of the States.

If a sufficient concurrence of States was not secured on the first nation-wide vote, States that voted in the affirmative would be counted as having ratified, and States which voted in the negative would have the privilege of holding another election within five years. This is analogous to the present practice of ratification by State legislatures.

#### LEGISLATURES NOW IN SESSION

The legislatures of most of the States are now in session. Their sessions are limited in some States to 40 days, with more extended, and no limits in other States.

These legislatures unless called in special session will not meet again for a long time. Within a few weeks their opportunity to provide for an election on the repeal of the eighteenth amendment without delay and without the expense of a special session will have gone.

In view of this situation and the universal recognition that the disposal of this Federal prohibition question is one of the things that should be gotten behind us for the good of the Nation at the earliest possible date, is it not possible that Congress can function on this question? Why can not the Judiciary Committee, the committee having jurisdiction of this subject in the House, report out a measure that will give the House the chance to do the useful thing of clarifying this subject and now advising the States so they can prepare while the legislatures are in session to handle the problem of the election effectively before adjourning? It is important to get the earliest possible action.

Legislatures can now provide in advance for taking care of conventions, and thus avoid delays and special sessions if they desire. It is improbable that any considerable number of State legislatures will do this unless Congress definitely determines what the method of ratification shall be before these legislatures adjourn. Those who insist on action by State legislatures to authorize the State vote should not now stand in the way of prompt action by Congress. If Congress would immediately decide on the method of submission, it would greatly encourage and facilitate prompt action by the States and do a good service to the Nation.

The direct referendum method involves a minimum of expense in conducting the election, because the questions as to the method of nominating candidates for delegates as well as their election are all eliminated.

A direct vote on constitutional amendments has become practically a fundamental of American government. Forty-seven of the forty-eight States permit the people to vote on amendments to their State constitutions. This practice of direct voting has grown up since the original Constitution was adopted. I believe the people of the country would welcome this practice of the States in acting upon this Federal amendment, preserving the old requirement that three-fourths of the States must concur to change the Constitution. This plan would preserve the relative importance of the smallest State as it now exists so far as the amendment to the Constitution is concerned.

The recent election clearly revealed that the eighteenth amendment is without the prestige of popular support. It has lost its vitality. It is dead timber on the constitutional tree. Its enforcement is impracticable. Nullification of the eighteenth amendment is demoralizing. An unenforceable eighteenth amendment in the Constitution is demoralizing. Public welfare demands prompt action on the question of repeal.

It will be a regrettable neglect for Congress to permit this large number of legislative sessions to adjourn without giving them an opportunity to provide intelligently for prompt action on the question of repeal.

#### THE SENATE PROPOSALS

What question shall be submitted? A Senate committee has reported a proposed form of amendment to be submitted to the State legislatures. It provides for the repeal of the



eighteenth amendment, and that the transportation of intoxicating liquors into a State in violation of its laws is "prohibited."

It is further provided that Congress shall have "concurrent" power to regulate or prohibit the sale of intoxicating liquors to be drunk on the premises where sold.

In submitting this amendment to the legislatures, instead of conventions, this proposal flies in the teeth of the platforms of both parties. It ignores public sentiment of the country, which is determined that the people themselves shall have a right to settle this question. No other method of settlement will command equal respect.

In view of the fact that Congress has authority, regardless of the eighteenth amendment, to prevent the interstate shipment of intoxicating liquor in violation of State laws, the provision of the Senate amendment "prohibiting" such shipment is perhaps not of great consequence. Congress properly exercises this power and it should not be handicapped by an inflexible rule of the Constitution. There is little reason to anticipate that Congress will ever desire to authorize State shipments in violation of State laws, or that Congress will repeal the existing laws preventing such interstate shipments.

The proposal to prohibit importations to the States in violation of their laws is illogical, even though unimportant in its practical effects. It is theoretically unsound to propose that each State in the country shall have the right to compel the Federal Government, without any discretion of Congress, to support whatever statutory liquor laws the State legislatures see fit to write, however unwise or improvident. It is for the legislature of the Federal Government, not for the legislature of a single State, to determine under what circumstances the Federal Government shall assume the unusual responsibility of enforcing State laws. Under this color of constitutional sanction a State might pass a law to interfere with legitimate interstate shipments. No one could measure the responsibility the Federal Government would thus assume. No one could anticipate the many varied, and perhaps unwise, provisions that might be written by the various States of the country. In this way their mere legislative action would compel this action of the Federal Government without the approval and even against the will of Congress.

That proposal, on principle, is the extreme of State rights.

#### CONCURRENT POWER

The proposal that Congress shall have concurrent power with the States to regulate and prohibit the sale of intoxicating liquors to be drunk on the premises where sold, is the extreme of centralized power or Federal interference in State affairs. This provision would give the Congress power to enforce prohibition on a State against its will and also to provide regulatory provisions in favor of the liquor traffic in opposition to the laws of dry or semidry States. The wildest friend of centralized government could scarcely approve of Congress enforcing the sale of liquors on dry States over the opposition of their laws and perhaps of their Constitution. I do not anticipate that this provision, if enacted, would in practice be so applied. The fact that such a power is seriously proposed to be placed in the Constitution should excite the opposition of all.

One of the weaknesses of Federal prohibition is the dual responsibility and irresponsibility of the State and Federal Governments. Concurrent power to enforce prohibition is quite different from concurrent power to regulate or prohibit the sale of intoxicating liquors. One government might want to prohibit the sale of liquor and the other might prefer to regulate it. The plan is simply impracticable of application. Two separate governments can not successfully regulate the same thing any more than can two separate heads of one business or any other enterprise. In division of responsibility there is weakness, not strength. Concurrent regulation might provoke more conflicts, more ill, more corruption, and more annoying details of administration than does prohibition. Prohibition is a unified policy even though

enforcement responsibility is divided. Regulation assumes diversified policies between the regulatory authorities.

A sinister influence designing to harass and bedevil the Federal Government with the prohibition question for a generation to come could scarcely suggest a constitutional provision more calculated to accomplish that purpose than the regulatory provision of the Senate resolution. It seems especially designed to preserve the obnoxious and unworkable features of Federal prohibition.

If there is anything to be learned from our experiences with Federal prohibition, it is the unwisdom of the Federal Government interfering in State affairs and forcing on unwilling States obnoxious sumptuary legislation.

The Senate amendment in effect proposes to continue Federal interference with State affairs, injects new questions of Federal regulation, and retains the liquor problem in national politics for a generation to come.

Rather than authorize the Federal Government to go into the States to regulate their liquor affairs, I would prefer that Federal prohibition be maintained.

I never expect to see the States of this country, with their different viewpoints and customs, reconciled to a uniform system of regulation prescribed by Washington and generated under the constant bedevilment of Congress with the liquor problem as a national political question. The varied conditions of our separated States does not permit of one uniform rule or regulation that can be satisfactorily applied to all. If we are to have a happy administration of the affairs of this Nation, no State in this Union should be regarded as too unworthy to be trusted with the regulation of its own liquor problem. All States should have enough pride in the right of local State government and enough respect for the right and good will of their sister States to refrain from using any power they may have to force their power upon their unwilling neighbors. These same States that invoke their powers to impose obnoxious legislation upon their neighbors to-day may find themselves victims of the same bad philosophy to-morrow.

#### PREVENTING THE SALOON

If it is desired to use the power of the Federal Government only to prevent the maintenance of saloons, it is unnecessary to give the Federal Government regulatory powers to accomplish that result. A provision in the repealing amendment simply denying the States power to authorize or permit the conduct of a saloon, would be sufficient for that purpose. Such a provision would simply withhold from the State the power to legalize the saloon without forcing on the Federal Government the duty of interfering in the State affairs to regulate their liquor business. The saloon being made impossible of legalization could not survive under a State regulated system of liquor control. In that way, if it is desired to prohibit the saloon by the Federal Constitution, that purpose could be accomplished without the obnoxious regulatory provisions of the Senate amendment.

The substantial purposes of the Senate amendment could thus be accomplished without its unwarranted provisions. An amendment thus modified might afford a basis of compromise and agreement between the two Houses of Congress.

The good of the Nation requires prompt action on the question of Federal prohibition repeal. Congress should promptly adopt its plan of procedure. If possible, cooperation of the State legislatures should be secured. The question should be submitted to the people of the United States for their decision at the earliest date possible under constitutional methods of procedure.

Mr. GIBSON. Mr. Speaker, that portion of the appropriation for the Labor Department covering the Bureau of Immigration carries with it some items for the immigration service larger than for the present year.

A deficit for the current year was caused in part by the extra cost for the deportation of several thousand aliens at an expense greater than estimated. The zealous employees have helped to cover this deficit through furloughs without pay. The items of the bill were entirely proper in view of the situation. The employees have been indirectly penalized



for their zeal in enforcing the law. This situation should be taken into consideration by the President when he submits to the House of Representatives the recommendation of an additional sum to cover the cost of deportations, as suggested would be done, by the gentleman from Alabama [Mr. OLIVER].

Vermont has a hundred miles of border along the Canadian line. A network of roads makes the enforcement of immigration laws and regulations very difficult. The immigration and customs officers are high-grade men and women. They have been performing a splendid service for their country. They are faithful and patriotic.

As evidence of this fact, the employees along the Vermont border have voluntarily signed joint letters directed to the Commissioner General of Immigration calling his attention to the fact that because of the lay-off of employees without pay the work of the service can not properly be done; that as a result many aliens are obtaining entry in violation of law who later must be deported at a final cost far in excess of keeping the full staff on duty. The employees in these joint letters advise the Commissioner General of Immigration that they are willing to remain on duty during the 5-day-per-month furlough and the sixth day of each week without pay in order that the law may be enforced.

I am glad of the opportunity to publicly congratulate these employees and to commend their patriotic action to other employees of the Government and to the people as a whole. Let the word go out to the country that these men are loyal to their country in this period of difficulty.

#### SAN FRANCISCO BANK OF AMERICA

Mrs. KAHN. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mrs. KAHN. Mr. Speaker and Members of the House, in an Associated Press report yesterday I was very much surprised to read certain remarks of the gentleman from Nebraska [Mr. HOWARD]. As a rule, he is both fair and well informed, but in this instance I fear that he was neither. He remarks that he looks askance at the \$64,000,000 loan that went to the San Francisco Bank of America. Said he to the newspapermen, quoting from the Associated Press dispatch:

It seems strange that the corporation should make a \$64,000,000 loan to a syndicate of foreigners.

I presume that he made this criticism because the head of the Bank of America is Mr. A. P. Gianini, and because the Bank of America is a successor to the Bank of Italy. Mr. Gianini was born in California and has lived there all of his life. He was educated in the public schools of California. He became a commission merchant, and in 1904 he founded the Bank of Italy. From that bank grew this great Bank of America which has now in the neighborhood of 500 branches in the State of California. Subsequently Mr. Gianini acquired the ownership of the Bank of America in New York City and changed the name of the Bank of Italy of California to the Bank of America. The stock of the former Bank of Italy of California and the Bank of America is owned by the Trans-America Corporation, and it is not an exaggeration to say that 80 per cent of that stock is owned by residents of the State of California.

Mr. Gianini retired from the bank about 1929, and upon retiring gave one million and a half dollars to the University of California to establish an agricultural department foundation.

In 1929 the management of the Bank of Italy passed to Elisha Walker, of New York. Just about a year ago, I think it was February, 1932, the management of the bank passed again into the hands of Mr. Gianini.

If the gentleman from Nebraska will make further inquiry, he will find that the loan of which he complains and concerning which he indulged in criticism is practically paid off. On January 6 of this year the status of that loan was as follows: \$64,900,000 was granted as a loan to the corpora-

tion by the Reconstruction Finance Corporation. Of that, \$64,488,644.61 was paid to them, and by January 6 of this year they had repaid \$57,650,774.83, leaving a balance of \$6,337,689.78 still owing the corporation on that loan. [Applause.]

The SPEAKER. The time of the gentlewoman from California has expired.

Mrs. KAHN. Mr. Speaker, I ask unanimous consent to proceed for one minute more.

The SPEAKER. Is there objection?

There was no objection.

Mrs. KAHN. Since Mr. Gianini resumed the control of the Bank of America the deposits have increased over \$90,000,000. [Applause.] The Bank of America probably does a larger business with the farmers of California than any other bank, and its solvency and security are as important to the farming and mercantile interests of California as those of any other bank, on account of its great ramifications and the branch banks all over the State.

Mr. Speaker, I have felt compelled to make these remarks because criticism such as this is apt to work tremendous injury, not only to the Bank of America but to the entire State of California. [Applause.]

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Speaker, first of all, I thank the gentlewoman from California [Mrs. KAHN] for her commendation of my usual sense of fairness and of goodness. And next I want to relieve the newspaper boys from any charge of falsely reporting my interview with them. As a rule, the newspaper boys are always right. I can see readily how the one to whom I gave that interview may have misinterpreted my remarks. I did use the term "foreigners," but I did not use it in the sense as reported. I referred to this loan as going to a syndicate largely composed of foreigners, as I was informed. For years the bank in question has borne a foreign name. I did not know that the name had recently been changed from Italian to American, as stated by the gentlewoman from California.

I do not know the gentleman of whom the lady from California speaks so beautifully. I take it for granted that he is the high-type gentleman the lady from California pictures him, because if he were not the lady would not so describe him.

Mr. Speaker, as long as this subject is before us, I deem it appropriate now to give the House my own story of the origin and passage of my resolution to lift the blanket of concealment from the doings of the Reconstruction Finance Corporation during the dark months of February, March, April, May, and June, 1932. Nobody urged me to draft that resolution. Good or bad, it was my own legislative child. It is true that after the resolution had been drawn it was submitted by me to Senator GEORGE NORRIS, my magnificent Senator from Nebraska. Why did I submit it to Senator NORRIS? Because I was inspired to draft the resolution after reading his remarks on the day when he caused the Flynn article on the subject of Reconstruction Finance Corporation loans and commitments to be inserted in the CONGRESSIONAL RECORD just as Flynn had written his article for that staid and conservative old magazine, Harpers. I felt that the better mind of NORRIS might suggest improvement of my resolution by amendment. However, he approved it as written.

On the day when my resolution was introduced I was told frankly by many colleagues that it could never be passed by the House. Next day it came very directly to me that the resolution was regarded by those to whom it was directed in the light of a joke. At the end of seven legislative days the resolution became privileged under the rules of the House. I called for consideration the first moment possible under the rules. All of my colleagues will recall how gladly the legislation was received by the House, and how it went



through to passage like a sweet girl high-school graduate through a box of chocolates.

Then came the deluge. It came in form of more than one hundred personal friends, each telling me that he had no personal interest in the matter, but that he came in the name of some bank which he feared might be closed if the corporation loan to that bank should be made public.

Mr. Speaker, the mighty men of money, who are represented on the Reconstruction Finance Corporation Board, are keen students of humanity. It has been written that every man has one certain weakness. Those keen manipulators quickly discovered my pet weakness. They discovered that perhaps I might be purchased with the coin of friendship. For 10 days and nights the friends who appealed to me in behalf of the big interests, for which they spoke, made one general plea. They told me what a big man I would be in the eye of the country if I should arise in my place in the House and ask that my own resolution be crucified by so modifying it as to give the report for which the resolution called only to the eyes of Members of the Congress, withholding public inspection. It was a hard battle between real friends on the one side and a great principle on the other side. To refuse the requests for crucifixion of my resolution would distress my friends. To grant their requests would be to stab to the heart a principle long espoused by me, a principle which runs against the transaction of any manner of the public business in secret. I admit frankly that at times, in presence of some very dear, pleading friend I felt myself slipping, but in the end, thank God, loyalty to principle prevailed. Somehow every time a special plea would come to me to crucify my resolution and shield the borrowings of the big banks and trust companies from the public eye would also come a mental picture of some American farmer who had secured a puny feed or seed loan from Federal funds, only to find his name posted in all the neighboring elevators, giving notice to the grain buyers that the farmer had given a chattel mortgage to the Government, virtually warning the grain buyer to be careful about purchasing grain from that particular farmer. Such discrimination inflamed me, and made me strong to resist the arguments and the blandishments of those who believe that it is right on the part of the Federal Government to regard a farmer who contracts a Federal seed or feed loan as a loathsome carp in the family of fishes, while regarding the banker who borrows millions as a gaudy plumaged fowl.

I feel I should not leave this subject before paying credit where credit is mostly due for the lifting of the blanket of concealment from the loans and commitments made by the Reconstruction Finance Corporation during the dark days in the early months of 1932. My colleagues will recall that it was the Speaker of this House who was responsible for publicity of the corporation loans, beginning last July. That splendid Speaker has long been the implacable foe of secret transaction of the public business. Last July he lifted the blanket of concealment from all future doings of the corporation. My own little part has been only to throw off the blanket and let the light of publicity shine full and fair upon every loan and commitment made by the corporation prior to the good day in which Speaker Garner lifted the blanket partially. I felt when I presented my resolution that I was simply building upon the fine foundation firmly laid by my Speaker. And always when carrying on in harmony with the teachings of that greatest and best loved one among us here I go gladly, confidently, and always unafraid.

The SPEAKER. The time of the gentleman from Nebraska has expired.

#### PRIVATE CALENDAR

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to proceed for one minute in order to make an announcement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAINEY. Mr. Speaker, after consultation with the gentleman from New York [Mr. SNELL] and with others, it has been determined to devote one night each week to the call of the Private Calendar, possibly Thursday night of each

week until the end of the session, if nothing should interfere with selecting Thursday. If not Thursday, some other night. Next week the Private Calendar will be called on Thursday, and I move the adoption of the resolution that I now send to the desk.

The Clerk read as follows:

#### House Resolution 366

*Resolved*, That on Thursday, February 2, 1933, it shall be in order to move that the House take a recess until 8 o'clock p. m., and that at the evening session until 10.30 o'clock p. m. it shall be in order to consider bills on the Private Calendar unobjectioned to in the House as in Committee of the Whole, the call of bills on said calendar to begin at No. 575.

The resolution was agreed to.

#### LEE AND JACKSON

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks by including an address which I delivered before the Stonewall Jackson Chapter of the United Daughters of the Confederacy on January 21.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks, I am inserting an address I delivered before Stonewall Jackson Chapter, No. 20, United Daughters of the Confederacy, at Confederate Memorial Hall, Washington, D. C., January 21, 1933.

The address is as follows:

#### LEE AND JACKSON

A civilization should be judged by the character of the men it produces. "The true test of civilization," says Emerson, "is not the census nor the size of the cities nor the crops; no; but it is the kind of men the country turns out."

A country without heroic traditions is a country without liberty. A nation's place in history is determined by its leaders, and a people carve their own images in the monuments they erect to their heroes.

Robert E. Lee, the son of Gen. Henry Lee, known in history as Light Horse Harry Lee, was born in Westmoreland County, Virginia, January 19, 1807, and died in Lexington, Virginia, October 12, 1870, at the age of 63.

Thomas Jonathan Jackson, known as Stonewall Jackson, the son of Jonathan Jackson, a successful lawyer, was born January 21, 1824, in Clarksburg, Virginia, now West Virginia, and died at Guinea's Station on the Fredericksburg railroad, near Chancellorsville, Virginia, May 10, 1863, at the age of 39.

Lee, like Washington, was of English descent, and came from the aristocracy of colonial days. He married Mary Custis, the daughter of Washington's adopted son.

Jackson was the product of the American middle classes and descended from the Scotch Irish, who contributed much to the success of the Revolution.

Both were graduates of West Point. Lee finished second in his class and was assigned to the Corps of Engineers. Jackson was graduated seventeenth in his class and received a commission in the Artillery. Both saw active service, and had brilliant careers in the Mexican War. Lee continued in the Army and was the outstanding officer in the service when Virginia seceded from the Union. Jackson resigned his commission in the Army a few years after the Mexican War and became an instructor in Artillery Tactics and Philosophy at Virginia Military Institute in 1851, where he continued until Virginia joined the Confederacy in 1861.

Jackson, after two years in the Confederate Army, fell at the hands of his own men. Col. G. F. R. Henderson, of the British Army, who wrote an admirable life of him, said: "Stonewall Jackson was the greatest lieutenant general in all history."

Lee was in the Confederate Army the full four years and became the greatest soldier of his or any other age. For five years after the close of the war between the States he was probably greater in peace than in war.

#### THE MEN

Lee and Jackson were men of unusual personalities. They were both slightly under six feet in height and each had a military bearing. There was a striking difference in their personal appearances. Lee was graceful and handsome. His eyes were brown and his head was well proportioned. He was a man whom to see once was always to remember. Thomas Nelson Page, one of the foremost literary men of America, a student at Washington College under Robert E. Lee, says, "He was one of the handsomest men I ever knew and easily the most impressive figure." Mounted on the battlefield or seated in the classroom, he was an inspiration. His voice was calm. His presence was compelling. He was majestic and magnetic. Lee always presented a superb figure.

Jackson was erect and soldierly in bearing, with fair complexion, but his appearance generally was not prepossessing. His eyes were remarkable. All who came within their reach felt the force of his presence. "When I looked into his face," said a Federal prisoner, "my heart sank within me."



Lee was always careful in his dress and in his appearance. Jackson was indifferent as to both. The faded gray on both of them always appeared grander than the royal purple.

Lee possessed a greater intellect and more ability than Jackson. His thought covered a wider range and his accomplishments were more varied. He was familiar with the arts and sciences. Jackson knew philosophy. He was familiar with fewer subjects but of these he was the consummate master. Jackson cultivated the powers of concentration. He was a man of few words and when he reached a decision he was as immovable as the rock of Gibraltar.

If Lee had ability, Jackson had mastery. Many of the generals who fought with and against Jackson surpassed him in talent. He was not as widely accomplished as McClellan. He was not as scientific as Beauregard. He did not have the mental scope of Early, nor did he possess the intellectual powers of Joseph E. Johnston. But Jackson had qualities none of these possessed. He combined more than any of them cool audacity and determined resolution. His earnestness was unprecedented and it inspired his own soldiers, making them invincible, and at the same time it struck terror into the hearts of the enemy.

The northern soldiers regarded Stonewall Jackson as their most daring foe. In battle he seemed transformed if not transfigured. He was at his best when leading a charge or an attack. He was a soldier of the Oliver Cromwell type. The resolution of Stonewall Jackson has never been surpassed. His will has never been excelled. The enemy was half conquered before the battle was begun. He barely passed the initial examination for admission to West Point, but by persistence and determination he was graduated seventeenth in his class. His fellow cadets said of him, "If we had to stay here another year old Jack would be at the head of his class." At the basis of Jackson's achievements "there was the will to do, the soul to dare."

Lee was grand, Jackson was daring. Lee was preeminently the soldier, Jackson was preeminently the conqueror. Lee calculated, Jackson ventured. He was like an avalanche from some hidden or unexpected quarter. To the enemy he was like a thunderbolt from a clear sky. When the Union armies heard the ominous words, "Jackson is moving," they retired to their fortifications. The enemy feared him as the fox fears the bloodhound. His very name was synonymous with victory. He never really lost a battle. He never really suffered defeat. He and his troops went into battle with a moral power that was unconquerable. As he rode at the head of his columns, his hands were uplifted, and over and over again he would cry, "Forward, men; forward; press forward!" He always followed up his battles to the fruits of victory. When President Davis reached the battlefield of Manassas, as he crossed a stream, thinking that the Confederates were in retreat, he stood in his saddle and exclaimed with much agitation, "I am President Davis; follow me, soldiers!" as he advanced toward the enemy. Jackson, standing near, calmly replied, "We have beaten them to a frazzle. Mr. President, if you will give me 10,000 troops, I will be in Washington city by to-morrow night."

Great men must have other qualities than unusual personality and great ability. Moral virtues are essential. Men can not really be great without great characters. Honesty, bravery, kindness, and modesty must obtain. Lee and Jackson possessed all of these qualities.

Nature made Robert E. Lee both good and great. Jackson had the most marvelous individuality of any man of his time. He is unique in military annals. Each was the idol of his troops. Their soldiers followed because Lee and Jackson always led.

Neither Lee nor Jackson had the vices or imperfections of many other great men. They both abhorred profanity and seldom took wine or strong drink. They were preeminently Christian gentlemen. No historian would think of writing The True Lee or The True Jackson. They were always the same whether in the home or on the battlefield, whether in peace or war.

The army and the people had confidence in Lee and Jackson. Never were soldiers more devoted to commanders; never were people more loyal to generals.

After the second battle of Manassas General Jackson advanced into Maryland. An amusing story was told of him as he was on this march. He and his staff found themselves behind the troops, artillery, and supply wagons. The road was narrow and it was impossible to get to the front. General Jackson said it was absolutely necessary to reach a point ahead at a certain time, and he ordered his staff to throw down the fence, and rode along the edge of the field. The field was in oats, and when they reached the far end, they were in front of the owner's house, who came forward and asked them, in not very conventional language, what they were doing riding in his oats. He said, "You are nothing but commissaries or quartermasters, for no good soldiers would destroy private property." Addressing himself to Jackson, he asked his name. The general replied that his name was Jackson. "What Jackson? What is your full name? I am going to report you to General Jackson."

"Well," said the general, "they call me Stonewall Jackson."

The staff had all gathered around, much amused, and the owner, suspecting something, asked General Jackson "if he was Stonewall Jackson from the valley?"

"Yes, sir; I commanded in the valley."

The man immediately took off his hat, exclaiming:

"Hurrah for Stonewall Jackson! Hurrah for Stonewall Jackson! Ride all over the damned old oats, general. Trample them into the ground. Do anything you like here, but get off and take a drink with me."

After a great deal of persuasion, the general dismounted and took a drink with him—of buttermilk.

A story is told of General Grant when directing operations in the Wilderness in 1864. It was said Grant was riding behind his lines and, observing a young fellow plowing in the field, he reined in his horse and asked him his name. The young man told him. The general then asked what he was doing. The man replied, "Trying to raise some corn to feed our family, myself, and my horse next winter." General Grant was riding off when the young man asked him, "You have asked my name; can I know yours?" Grant replied, "They call me Grant."

"What Grant?"

"General Grant."

"Are you the general commanding that army over there?"

"Yes, sir; I am the man."

"Well, General, I would like to ask you a question; where are you going?"

"Well," replied the general, "That would be hard to tell. I may be going to Richmond; I may be going to Petersburg; I may be going above," pointing with his hand, "or I may be going the other way."

"You can't go to Richmond," said the young man, "because General Lee is down there; you can't go to Petersburg, because General Beauregard is there; I know you can't go to heaven, because Stonewall Jackson is up there; you may go below, for I never heard of a Confederate officer or soldier being in hell."

The friendship between Lee and Jackson was close. Their relationship was intimate. Their attitude toward each other was a halo of glory around them both. Jackson said of Lee: "Lee is a phenomenon. I would follow him blindfold." Lee said of Jackson when wounded: "Jackson has lost his left arm. I have lost my right arm." He wrote to Jackson: "Could I have dictated events, I should have chosen for the good of the country to have been disabled in your stead." "Far better for the Confederacy," exclaimed Jackson when he read the note, "that ten Jacksons should have fallen than one Lee." Sometimes they differed, together they were invincible. If Lee commanded, Jackson executed. They spent the night before the Battle of Chancellorsville together. Capt. James P. Smith, on the staff of Jackson, relates that some time after midnight he was awakened in the chill of the morning. He says that he caught a glimpse of a little flame on the slope above him. Sitting up, he saw bending over a scant fire of twigs two men seated on cracker boxes, warming their hands over the fire. He recognized the figures of Robert E. Lee and Stonewall Jackson. They planned while their men slept. The scene is one for a master painter. It should be immortalized on canvas. The story of that last council of war is told in the victory of the following day.

No nobler general ever lived than Robert E. Lee; no braver soldier ever fought than Stonewall Jackson.

Lee was the supreme gentleman. The knightliest and the gentlest in Virginia's civilization found its flower in Robert E. Lee. Jackson was the ideal soldier. The bravery of Virginia found its full fruition in Stonewall Jackson.

Lee and Jackson shared the hardships of their soldiers. In his campaign between the Rappahannock and the James, with colonial mansions at his command, Lee slept in his tent among his soldiers. Jackson often slept in his saddle and frequently rested at the foot of a tree. Neither demanded more for themselves than they asked for their soldiers. General Lee's own son was captured. The Federals offered to exchange him for an officer of equal rank. Lee declined. He said that he could do no more for his own son than for any other soldier.

Lee and Jackson were kind and thoughtful. On the march to the First Battle of Manassas, Jackson was informed that the soldiers of his brigade, worn out from the march, had fallen asleep on the ground and there was no guard about the camp. He replied, "Let them sleep; I will watch." He rode around the camp, a lone sentinel for his brigade, while his men slept.

Lee and Jackson were ever ready to lead their men. Frequently they exposed themselves to danger. Jackson was never happy unless at the head of his troops. "General Lee, go back and we will advance," his soldiers often said, and then they would go forward into battle and into death. His soldiers loved Lee as soldiers never loved another general. His soldiers believed in Jackson as soldiers never believed in another general.

An army surgeon relates that while the Battle of the Crater raged, General Lee rode to the rear of the line where the wounded lay, and, dismounting, moved amongst them. "Doctor, why are you not doing something for this man?" he said, pointing to one sorely stricken. The doctor raised his gray jacket and pointed to the ghastly wound which made life hopeless. General Lee bent tenderly over the wounded man, and then, in a voice tremulous with emotion, exclaimed: "Alas! poor soldier! May God make soft his dying pillow."

At Gettysburg, Lee, who had sent his men into a hundred charges and watched them cut their way to victory, after Pickett's charge, was in retreat. A Union soldier badly wounded lay in his path. The soldier relates that he shouted "Hurrah for the Union," as Lee came near. The general dismounted and approached the wounded enemy. "I thought he meant to kill me," the soldier reported later. "But he looked at me with a sad expression and grasped my hand."

"My son," said Lee to the wounded man, "I hope you will soon be well."

The wounded Yankee wrote, "I cried myself to sleep there on the bloody ground."



Lee was noble in retreat as he was grand in victory. General Grant, after the war, said that the sentence, "It is all my fault," uttered by Lee after Gettysburg, was the greatest speech made by any general during the war.

The personal characters of Robert E. Lee and Stonewall Jackson far surpass other generals of history. Their influence and their example were felt by both students and soldiers. Jackson had taught for ten years before the war and probably Lee's greatest contribution came after the war when he taught the youth in peace as he had led them in war.

#### THE PATRIOTS

Lee, like his father, the friend of Washington, loved Virginia first. Light Horse Harry Lee said: "Virginia is my country. Her will I obey, however lamentable a fate it may subject me to." His son said: "I look upon secession as anarchy. If I owned the 4,000,000 slaves of the South, I would sacrifice them all for the Union; but I can not draw my sword against Virginia."

Lee favored the Union. He opposed secession. Lee would no sooner draw his sword against Virginia than Douglas would have drawn his sword against his native Scotland.

Never since the temptation of the Son of Man upon the Mount, when He saw all the kingdoms of the world and the glory of them, to turn away to the agony of Gethsemane and the Cross of Calvary, has a man been subjected to such temptation and such an ordeal as Robert E. Lee, when he was offered the command of the Union Army by Abraham Lincoln. I often pass by the building in the city of Washington in which Lincoln's offer was submitted by Francis Preston Blair. Lee's life had been spent in the Army. On the one hand was the realization of his ambition to be the commander in chief of the Army. His home was just across the Potomac from Washington. He thought of the command of the Union armies, with unlimited men and money; he thought of his own beloved Arlington. On the other hand, there was Virginia, the land of his fathers. He thought of the misery of his own people.

Winfield Scott and George H. Thomas were Virginians, but Robert E. Lee was a different Virginian. He was of the Washington mold. His first duty was to his native State. He declined the offer of Abraham Lincoln to accept the sword of Virginia. He exchanged ambition for service, glory for immortality.

Gen. Winfield Scott, commander in chief of the armies of the United States in the Mexican War, and for many years thereafter, had said of him: "He is the greatest soldier now living, and if he ever gets the opportunity he will prove himself the greatest captain of history."

For ten years before the war Stonewall Jackson mingled with the people. He knew the sentiments of the South. He was an intense advocate of State rights. He saw the approaching conflict. He believed in the Confederacy. He was animated by the conviction that he had been raised up to defend the Southland. No man in the South took a keener interest in the approaching strife than Jackson. He said: "As a Christian I abhor war, but as a soldier I love war."

Duty was the guiding star in Lee's career. He wrote to his son in 1852: "Duty is the sublimest word in the English language." Conviction was the controlling influence in the life of Jackson. If Lee fought from duty, Jackson fought from conviction.

Preeminent as patriots, Lee and Jackson became foremost as generals.

#### THE GENERALS

Lee and Jackson were trained soldiers. For years before the War between the States they were students of the campaigns of Napoleon. They were thoroughly familiar with his tactics and his battles. They regarded him as among the greatest of military commanders. Unconsciously by training, by experience, and by study each was being prepared for leadership in the inevitable conflict between the North and South.

The fame of Robert E. Lee rests upon his battles in the defense of Richmond. His most famous campaign and his most effective victories were in 1864, as he engaged Grant from the Rappahannock to the James. The armies met on May 4, 1864. Grant had 222,000 men. Lee had but 70,000. From June 3 to June 10 Grant had lost 117,000 men, while Lee had lost but 19,000. On this campaign alone Lee's eternal fame as a general is secure. He demonstrated his ability, and he is entitled to a place above Marlborough, Wellington, or Napoleon.

Theodore Roosevelt, in speaking of Lee, said: "He was the greatest of all the great captains that the English-speaking people have brought forth. As a mere military man Washington himself can not rank with the wonderful war chief who for four years led the Army of Northern Virginia."

Lord Wolseley said of General Lee in 1862, when he visited the Confederate Army: "Lee was the ablest general and to me seemed the greatest man I ever conversed with, and yet I have had the privilege of meeting von Moltke and Prince Bismarck. General Lee was one of the few men who ever seriously impressed and awed me with their natural and inherent greatness."

The fame of Stonewall Jackson rests upon the First Battle of Manassas, his celebrated valley campaign, and the glorious victory at Chancellorsville. He turned the tide and won the battle at Manassas July 21, 1861. When the Confederates were falling back, Gen. Bernard E. Bee met Jackson and found him cool and composed. General Bee said, "They are beating us back." Jackson replied: "Then, sir, we will give them the bayonet." Jackson's bravery and determined bearing inspired Bee. He turned in his saddle and rallied his officers. Riding in the midst of his troops he pointed with his sword toward the Virginians. "Look," he

shouted, "there is Jackson standing like a stone wall. Rally behind the Virginians." The men took up the cry and a glorious victory was won.

Napoleon said of his faithful lieutenant Ney: "His presence on the battlefield alone was worth 20,000 men." But Jackson was superior to Ney. He could not only plan but he could execute. This was beyond the power of the great French marshal.

Jackson fell at the very noon of his glory. The bullets of the enemy had left him unscathed on many a battlefield and in many a charge. At the very climax of his brilliant career, when he had won the admiration of friend and foe, the confidence of his superiors, the adoration of his own troops, and the applause of the world, he was wounded by his own soldiers by mistake. He was pressing the victory at Chancellorsville to the limit. He was riding long after the sun had set to crush the enemy. About 8 o'clock on the night of May 3, by his own men through mistake in the dark, General Jackson received three wounds at the same time. One bullet went through the palm of his right hand, a second passed around the wrist of his left hand, and a third passed through the left arm halfway between the shoulder and the elbow. It splintered the bone to the elbow joint and severed the artery. He was carried to the home of a friend at Guinea's Station, where pneumonia set in and he died on Sunday, May 10. Dr. Hunter H. McGuire, medical director of Jackson's corps, who attended Jackson said: "Modern surgery would have saved the life of Stonewall Jackson."

The greatest blow that befell the Confederacy was the death of Jackson. He was largely responsible for the victory at Chancellorsville. Lee accorded him the glory. Jackson knew the country and was familiar with the battlefields. He had studied the regions around Chancellorsville carefully the preceding winter, as Wellington had familiarized himself with the battlefield of Waterloo.

When it was announced that Jackson could not live there was universal sorrow in the army and throughout the Southland. A little girl said: "I wish that God would let me die in his stead, because then only my mother would cry, but if Jackson died all the people of the country would cry." When he fell all the people did weep, from the humblest child of the Southland to the commander in chief of the armies and the president of the Confederacy, both of whom wept as only brave and strong men could weep. There was universal sorrow from the sea captain who had never seen his face to the English lord whose name is a familiar word on both sides of the Atlantic, who remarked when the sad news came to him, "Jackson was in some respects the greatest man America ever produced."

Brave in life, Jackson was brave in death. Like Wolfe at Quebec, Jackson "was content to die," and the light of his marvelous life and brilliant career went out as he said: "No, no; let us cross over the river and rest under the shade of the trees."

Jackson's valley campaign has been studied in the textbooks and leading war colleges of both the Old World and the new. When General Ewell was asked as to Jackson in the valley campaign, he replied in his impetuous manner, "Well, sir, when he commenced it, I thought him crazy; before he ended it, I thought him inspired." It is said by military critics that Jackson's campaign in the valley was the finest example of strategy of which the world has any record. It is studied as a model in the military schools of England and Germany. Von Moltke, perhaps the greatest of modern masters of strategy, is reported as saying that Jackson's campaign in the Virginia Valley is without a rival in the world's history.

The brilliant strokes of the army of northern Virginia, after Lee assumed command, had been executed by Jackson. Except at Gettysburg, and as Mr. Swinton has observed "Lee ventured upon no strokes of audacity after Jackson passed away."

Jackson was at his best on the battlefield. He may not have possessed a versatile or a comprehensive mind, but he was the most successful commander that ever led an army. Lee often made the statement, "If I had had Stonewall Jackson with me, I could have won the Battle of Gettysburg, so far as man can see."

There are acts of bravery and deeds of heroism in peace as well as in war. It frequently takes more bravery to do one's duty in the quiet walks of life than on the field of carnage. It takes greater courage to do one's duty when alone or away from one's fellows, than when urged on by one's companions or followers. The fine spirit of heroism is exemplified by Cambronne when he exclaimed, "The guard dies, but never surrenders." The soldier discovered in the ruins of Pompeii, as he stands there buried at his post, amid the hot waves of lava that overwhelmed him, tells the story of Roman valor in grander language than the ruins of the Forum or the Coliseum. The brave Captain Herndon, the last on deck, thinking first of his passengers, deliberately chose death before dishonor with calm courage as he went down in the ocean's depth, is a truer picture of heroism than Caesar leading his legions or Napoleon at the Bridge of Lodi.

There are heroes in defeat as well as in victory. Lee endured the shafts of criticisms without complaint. He was denied the privileges of citizenship accorded to his former slaves, although he advised loyalty and allegiance to the Union after the war. In defeat he exemplified his own statement, "Human virtue should be equal to human calamity."

The cause for which Jackson died and Lee fought was lost, but they are honored as no other military chieftains in history. As General Lee rode from Appomattox to Richmond on his favorite horse, Traveler, he was applauded by the remnant of his soldiers and by the people.

It takes a great general and a great army to win a great victory. The soldiers of the Army of Northern Virginia were the best



trained and the bravest soldiers who ever fought. Lee was grander in defeat than in victory. He had surrendered to overwhelming numbers, but his soldiers loved him still. The people worshipped him. They cheered him as he entered Richmond from Appomattox. Unions and Confederates alike bared their heads and applauded Robert E. Lee as he entered and rode along the streets of Richmond, the fallen capital of the Confederacy. Gen. Sir Frederick Maurice, of Great Britain, remarked: "This is the one instance in history in which people flocked to cheer a defeated general."

After the war the word of Lee carried greater weight among the people than the proclamations of governors or orations of senators. His advice was regarded as final in the tragic days of reconstruction.

Lee and Jackson both had ambition, but their ambition was unselfish, the one to do his duty, to defend his beloved Virginia, the other to defend the Southland. Lee and Jackson, preeminently soldiers, were ambitious to conquer in a righteous cause.

Great in war, Lee is noble in peace. He is the ideal man. We might well paraphrase the language of his father, Light Horse Harry Lee, in his eulogy on Washington, "Robert E. Lee was first in war, first in peace, and first in the hearts of his countrymen." Whether declining the command of the Federal armies, whether turning away from his beloved Arlington to fight the battles and share the miseries of his own people, whether proclaiming on the heights of Gettysburg that the fault of the disaster was all his own, or whether refusing the offer of a commercial post, carrying a salary of \$50,000 a year, to accept the presidency of Washington College at a salary of \$1,500 annually, to teach the youth of the Southland in the arts of peace as he had led the flower of the young manhood of the South in war, he is always the same grand and heroic spirit.

Lee and Jackson are together in death as they were in life. In their last moments they thought of their soldiers and of their battles. Jackson whispered, "Order A. P. Hill to prepare for action." Lee murmured, "Tell Hill he must come up."

They are both buried in Lexington, Virginia, in the valley where Jackson made himself famous in less than two years, and in the State on whose battlefields for four years Lee wrote his name among the immortals.

On this memorial occasion, in honor of the anniversary of the birth of Stonewall Jackson, January 21, we are reminded that the anniversary of the birth of Robert E. Lee is January 19. We recall their noble qualities and their splendid characters rather than their military victories. We are thinking of their greatness and nobility as men rather than as commanders. Lee and Jackson were among the greatest generals, but they were both superior as men. Great men are like the wind, small men are like the grass. The grass, when the wind passes over it, bends. Lee, the soldier, was great, but Lee, the man, was greater. His St. Helena at Lexington was more splendid and more glorious than his Austerlitz in the Wilderness. Robert E. Lee, the general, stands among the greatest captains of all times, and while greater as a man, he was not superior as a general to Stonewall Jackson.

The twin heroes of the Confederacy, Lee and Jackson, the Virginians, as Lee and Jackson, the Americans, are the noblest legacy of the War between the States.

H. R. 14363

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating some remarks I made before the Appropriations Committee on the Commerce Department bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. BRIGGS. Mr. Speaker, at no time have the people of the United States been more concerned with revival and development of foreign and domestic trade than at present; and it is of the greatest importance that the agencies which materially contribute to that result be preserved to the people. Feeling that information presented by me to the Committee on Appropriations will be of general interest, I am, with the permission of the House, incorporating it in my remarks.

STATEMENT OF HON. CLAY STONE BRIGGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. OLIVER. Mr. BRIGGS has a matter that he wishes to present to the committee. Will you proceed, Mr. BRIGGS?

Mr. BRIGGS. Gentlemen, I am appearing here this morning in behalf of the appropriation for the Bureau of Foreign and Domestic Commerce with respect to the district offices which obtain in that department.

It is not necessary for me to bring to your attention the fact that the Department of Commerce has organized throughout the United States a number of district offices so as to promote, through the facilities which they have, the commerce of the United States and to encourage and develop trade. I am also appearing in behalf of the offices which they have established abroad.

Among the district offices are several in Texas, one of which is located at Galveston. The chairman indicated a while ago that he and the committee were interested particularly in the dollars and cents return to the people from that activity.

The expenditure which the Government makes for the support of the Galveston office has been about \$8,000 a year. It is not that much now, Mr. Chairman, because under the economy program in the Department of Commerce one of the employees in that office was released. It probably is somewhere between \$5,000 and \$6,000 a year. They have now, I think, only the district manager and a stenographer in that office. That has handicapped its activities materially; but just the same, even if we have to work with these forces largely skeletonized, I feel that as long as we keep the directional force and the power there of carrying on that work, you are contributing very materially to the progress of American foreign and domestic trade.

#### VALUE OF GALVESTON OFFICE

Year before last the records show that the activities of the Galveston office resulted in an increase of trade to various citizens and business firms of this country amounting to nearly a million dollars; it was nine hundred and some odd thousand dollars, I think. Well, as everybody knows, the national depression has been felt even more acutely in the past year than it was the year before; but in spite of that fact, this office at Galveston aided the business firms of Texas and in my locality to obtain business amounting to \$1,687,285.05.

Now, that is concrete information. It is not speculative. When I was home this summer I made a special point of ascertaining from business men what they thought about the service of this organization and of the district office there, and they told me that its value to them was constantly growing.

I would like to cite a few instances.

I would like to read a short letter first, which tells very concretely how valuable this agency has been. It is a letter from Mr. E. W. Rhodes, the general soliciting agent of the Galveston Wharf Co., dated July 19, 1932.

"During the fiscal year ended June 30, exports in a number of major items, such as sulphur, flour, and metals, suffered large decreases because of world-wide economic conditions. Commodity values also declined. But by forming new contracts we enjoyed large increases in exports of grains, cotton, rice, packing-house products, and a few less important commodities. We consider \$1,200,000 a conservative estimate of the value of this new business combined with savings effected through the operation of your department.

"Also, we congratulate you upon the efficient manner in which your department has functioned."

This letter was directed to the district manager at Galveston of the Bureau of Foreign and Domestic Commerce.

Now, that is not a platitude. That is a statement of concrete facts given to the people of the United States in regard to the result of the expenditure of their money.

There is another concern in Galveston that operates on a very large scale; that is the Texas Star Flour Mills. These mills testify:

"The amount of this [new] business which we believe should be credited to the services of your bureau during the past 12 months was approximately \$210,000."

That is signed by Mr. J. Haviland, president and general manager of the Texas Star Flour Mills.

At Galveston there are several large packing concerns that pack shellfish—shrimp particularly. They are all out for development of markets, and as everybody knows, again, the difficulty of obtaining markets anywhere is extremely great. One of these concerns, the Food Products Co., state in their letter:

"There is directly chargeable to your offices a total business available to us of \$60,500, which we feel under present conditions is very flattering."

They closed a contract recently with Japan for 30 tons of frozen shrimp at a valuation of \$6,000. They continue:

"We are also negotiating for another contract which will amount to \$20,000, and have already made shipment of some 15 tons approximating \$4,500. There is pending still another contract which will approximate \$30,000."

There is another concern, a tractor concern, Atlas Trailers & Water Mufflers (Inc.), that credits to the Galveston office of the Department of Commerce business to the amount of \$20,000.

Here is the Galveston Fisheries, another fish-packing concern, which testifies that through the good offices of the Bureau of Foreign and Domestic Commerce it was able to adjust claims abroad that they otherwise would have lost, amounting to \$15,000.

Let me show you the variety of the service rendered—and I shall not attempt to go into any great detail, because I know you are not concerned in that; you are concerned in the general value of the services. Here is one concern that had some very extensive litigation in France over large shipments of cotton that they had made to that country. One of the first things it encountered there was the exorbitant character of the bond in carrying on some necessary litigation. The French required it to make a bond of 500,000 francs. Through its counsel it got it reduced to 250,000 francs. Finally it called on the good offices of the Department of Commerce—the office right there at Galveston of the Bureau of Foreign and Domestic Commerce—and they got it reduced to 20,000 francs.

Mr. CANNON. That was quite a drop from 500,000 francs.

Mr. BRIGGS. From 500,000 down to 20,000.

I want to call your attention to another instance. Last summer the representative of one of the largest grain importing concerns in the United States, the Continental Grain Co., came to me and said, "We are in quite a predicament, Congressman, and I wonder if you can help us." I said, "What is it?" He said, "Last year we developed quite a nice business from Texas and some portions



of the Southwest in the export of milo maize and kafir corn. We shipped about 7,000,000 bushels to Germany, but Germany now, by a new order in council, or whatever they call it over there, has embraced those two commodities in what is known as the corn monopoly. Germany conducts a corn monopoly, and that is ruining that export business. The farmers in Texas had no export market at all for kafir corn and milo maize until this time. We shipped out for the first time last year 7,000,000 bushels. We want to continue to do that business this year, and we do not know how we are going to do it, and we want to know if you can help us."

I said, "Why don't you gentlemen step across the hall here and consult the district manager of the Department of Commerce?" "Well," he said, "we call on him for a great deal of service. This last year he gave us benefits amounting to about \$200,000 in the service he rendered in establishing contacts with Mexico, and that business may run up to \$2,000,000, but it had not occurred to us to deal with them on this proposition." I said, "Suppose you do it," and he said, "I will."

The Department of Commerce took that matter up for them. Germany came into the market and bought a hundred thousand tons of corn to supply the corn monopoly in Germany, but when that came in she was going to buy corn alone, not including milo maize and kafir corn. As a result of the representations of the Department of Commerce, through the Galveston office, she allowed kafir corn and milo maize to go in with it, as well, which saved markets for those people that otherwise could not possibly have been saved. As you know, Germany has a system of rationing or prorating the materials that go into certain things, like wheat flour. She makes a large percentage of potato flour of German origin to go into the imported wheat flour, in combinations. The breads and things of that kind over in Europe, from the experience I have had with them, are usually atrocious, but they are sustaining, and the people buy them, and they consume a considerable amount of our commodities. If we do not have agencies like these district and foreign offices to deal with these things, we do not get anywhere.

Let me give you another illustration. The present year China undertook to impose visa regulations upon shipments and documents, manifests and things of that kind abroad. She levied an import tax of a certain character which needed consular representation in the United States. Now, China only has in the United States, or did at that time, about six consuls. She regarded them as very important, and she did not have a great number of consuls scattered throughout this country. It was very essential that the commerce moving through Galveston to China in such large volume should have consular representation. Texas had none whatever. The nearest was nearly 500 miles away, at New Orleans, and the next at Chicago.

We took that matter up. They took it up with me. I took it up both with the State Department and with the Department of Commerce. The Department of Commerce got particularly busy. I took it up, of course, with the Chinese minister here in Washington as well. It needed every agency. I found that the service that the Department of Commerce rendered through their far eastern representative here was invaluable in that matter, both at home and through the commercial attaché or trade commissioner in China, in bringing home to the Chinese Government the essential character of consular representation at Galveston. For instance, to expedite that business, so that shipments would not lay over for three or four weeks, possibly, with the chance that the shipment might be lost entirely, by reason of not having some one there to visa these documents at the time when they were needed.

Now, China did a business of something like \$18,000,000 through Galveston last year in the purchase of cotton, and it was a very material thing to China, therefore, to have that business expedited, and it was worth a good deal to our people. The Department of Commerce also secured the cooperation of the State Department in an active and efficient way, and between them the consular representation was adopted and provided.

If you gentlemen will permit me, I would like to put in the record a statement of the business handled through the Galveston office and other Texas offices, which was compiled for me by the Department of Commerce. It shows the Galveston office, the Houston office, the Dallas office, and the El Paso office—Representative THOMASON will be here and appear for some of these items—and it puts it in a concrete way.

I do not know whether you gentlemen would like to have in the record all these dollar-and-cents results reported from the various district offices in the United States. I have them here, if you would like them.

Mr. CANNON. For the entire United States?

Mr. BRIGGS. For the entire United States; the various offices in the United States.

Mr. OLIVER. That may go in the record.

The matter referred to is as follows:

*Dollars and cents results reported by Texas offices, fiscal year 1931-32*

| District office | Firms served | Firms reporting | Amount reported | Average benefit per firm reporting | 1932-33 office budget |
|-----------------|--------------|-----------------|-----------------|------------------------------------|-----------------------|
| Galveston       | 36           | 12              | \$1,687,285.05  | \$140,607                          | \$5,302               |
| Houston         | 253          | 57              | 1,111,903.50    | 19,507                             | 19,256                |
| Dallas          | 142          | 34              | 482,557.69      | 14,193                             | 12,066                |
| El Paso         | 84           | 50              | 139,451.00      | 2,789                              | 4,953                 |

"A Galveston shipping concern reports: 'We consider \$1,200,000 a conservative estimate of the value of this new business combined with savings effected through the operation of your department.'"

"A flour-milling company writes: 'The amount of this business which we believe should be credited to the services of your bureau during the past 12 months was approximately \$210,000. Through information your office furnished us last year on foreign tariffs, exchange regulations, etc., we estimate we were saved approximately \$1,500. Then you personally rendered us an additional service by putting us in contact with a near-by casting manufacturer who could replace a casting that smashed up and caused a complete shutdown of the mill last July. We were enabled to resume operations five days sooner and effected a saving in transportation costs on the part, all of which resulted in a saving to this concern of \$5,000.'"

"An exporter of cotton reports: 'We made the following sales which resulted either directly or indirectly from your cooperation and assistance: To Bombay, 500 bales of cotton, \$22,240.26; to Oporto, 200 bales of cotton, \$8,244.79."

"We feel that you are entitled to credit for this business and we take pleasure in expressing herewith our appreciation for your assistance."

"A sulphur company of Houston states: 'I can truthfully say as far as I am able to judge by the research work I have done, the information made available through your department and its branches throughout the world has undoubtedly resulted in at least \$100,000 worth of business.'"

"A flour miller reports to the Dallas office: 'We are pleased to tell you that the connections you have helped us to make in Europe and Latin America during the last 12 months have enabled us to do a volume of business which we estimate at \$50,000.'"

"A firm of general exporters in El Paso has the following to say: 'It is estimated that the total amount of our sales as a result of the services performed for us by your bureau at home and abroad amounted to approximately \$50,000 actual on \$500,000 potential.'"

| District office | Firms served | Firms reporting | Amount reported | Average benefit per firm reporting |
|-----------------|--------------|-----------------|-----------------|------------------------------------|
| Atlanta         | 191          | 15              | \$574,125.72    | \$38,275.05                        |
| Birmingham      | 125          | 20              | 1,142,031.00    | 57,101.55                          |
| Boston          | 1,915        | 98              | 2,552,687.20    | 26,047.83                          |
| Buffalo         | 365          | 19              | 421,399.01      | 22,178.90                          |
| Charleston      | 61           | 4               | 24,900.00       | 6,225.00                           |
| Charlotte       | 184          | 7               | 179,023.99      | 25,574.86                          |
| Chicago         | 2,146        | 79              | 934,182.98      | 11,825.10                          |
| Cincinnati      | 331          | 13              | 128,690.00      | 9,899.23                           |
| Cleveland       | 663          | 17              | 311,953.00      | 18,350.18                          |
| Dallas          | 142          | 34              | 482,557.69      | 14,192.87                          |
| Denver          | 98           | 7               | 61,106.26       | 8,729.47                           |
| Des Moines      | 305          | 21              | 177,046.27      | 8,430.77                           |
| Detroit         | 896          | 37              | 2,567,870.00    | 69,401.89                          |
| El Paso         | 84           | 50              | 139,451.00      | 2,789.02                           |
| Galveston       | 36           | 12              | 1,687,285.05    | 140,607.09                         |
| Houston         | 253          | 57              | 1,111,903.50    | 19,507.08                          |
| Indianapolis    | 534          | 67              | 718,141.93      | 10,718.54                          |
| Jacksonville    | 176          | 17              | 660,107.03      | 38,829.83                          |
| Kansas City     | 850          | 25              | 189,880.00      | 7,595.20                           |
| Los Angeles     | 551          | 28              | 469,237.05      | 16,758.47                          |
| Louisville      | 213          | 10              | 329,972.00      | 32,997.20                          |
| Memphis         | 287          | 105             | 1,625,731.75    | 15,483.16                          |
| Milwaukee       | 509          | 10              | 445,452.21      | 44,545.22                          |
| Minneapolis     | 432          | 26              | 308,683.58      | 11,872.45                          |
| Mobile          | 76           | 21              | 384,706.00      | 18,319.33                          |
| New Orleans     | 308          | 30              | 731,622.00      | 24,387.40                          |
| New York        | 7,183        | 329             | 13,541,436.09   | 41,159.38                          |
| Norfolk         | 357          | 33              | 1,534,592.00    | 46,502.79                          |
| Philadelphia    | 1,201        | 160             | 3,450,115.92    | 21,563.22                          |
| Pittsburgh      | 735          | 54              | 563,894.22      | 10,442.49                          |
| Portland        | 180          | 16              | 2,304,975.00    | 144,060.94                         |
| Salt Lake City  | 24           | 1               | 20,000.00       | 20,000.00                          |
| San Francisco   | 724          | 80              | 2,745,960.00    | 34,324.50                          |
| Seattle         | 534          | 26              | 2,214,035.79    | 85,155.22                          |
| St. Louis       | 629          | 197             | 1,637,406.62    | 8,311.71                           |
| Wilmington      | 92           | 13              | 244,600.00      | 18,815.38                          |
| Total           | 24,725       | 1,738           | 46,616,761.86   | 26,822.07                          |

Mr. BRIGGS. I am not going to read, Mr. Chairman, from this report of the Secretary of Commerce referring to the Bureau of Foreign and Domestic Commerce, except to say that on pages 57 to 61, inclusive, will be found the statement of many services which this bureau has rendered in a concrete way in dollars-and-cents return to the American people, the users of these services.

Mr. CANNON. You do not connect that with the cost of maintaining those offices which supply that service?

Mr. BRIGGS. I am referring to this as evidence of the return that the people are getting upon the investment which they are making in this service.

They refer in the report to "intangible results." Some of those I have brought to your attention in the instances which I have given to this committee.

Now, gentlemen, I would like to say this to you: I notice that Congressman CANNON is somewhat interested in what foreign governments are doing also with reference to this trade promotional service.

Mr. CANNON. Foreign governments in the United States.

TRADE PROMOTIONAL SERVICE IN FOREIGN GOVERNMENTS

Mr. BRIGGS. Yes. Well, I do not know that it has been analyzed in that way, Mr. CANNON.



Mr. CANNON. This activity of foreign governments in the world, then?

Mr. BRIGGS. Take, for instance, Great Britain. Great Britain herself is spending about seven and a half million, or 16 cents per capita, according to the figures that I have here, for trade promotional work, in the Department of Overseas Trade, Empire Marketing Board, Imperial Conference, Colonial Development, and so forth.

Mr. CANNON. You have no figures to show what part of that is spent in the United States?

Mr. BRIGGS. No; I have not, but I imagine quite a large part of it is. A very large part of it is undoubtedly spent in the Far East and South American countries, as you gentlemen know from the visits of the Prince of Wales and others, to hold the trade she has gathered and to increase that trade. South America is one of the most fertile fields, and a lot of that country down there is a country where we must extend our markets—in the South American and Central American countries.

I feel very strongly that there is no service in this Government that pays better returns to the people than the investment in this service. It is not a large investment. This report shows that they have gotten voluntary reports from people in the United States who have used these services with returns amounting to \$59,000,000, and they estimate that that is only about 10 per cent of those actively served who have obtained valuable returns.

#### UTILIZATION OF STATE DEPARTMENT FOR COMMERCE PROMOTION

One other phase of the question: I notice that Congressman CANNON referred to the organization of the State Department, raising the question as to why it could not be utilized to a larger extent than it is for trade-promotion purposes. As everybody knows, the State Department is cast upon entirely different lines from a trade-promotion organization. It is cast upon lines largely in the sense of diplomatic relations, and even where the consuls are concerned, they have a number of social functions to perform, and they perform a great deal of routine work in visaging documents, shipping documents, and things of that kind.

Mr. CANNON. Is it not true that their staffs are made up of experts along many and diverse lines, including not only diplomatic but also commercial and business activities?

Mr. BRIGGS. I do not think that they are made up so much along the lines of business experience and trade contacts of that kind as they are of ability to handle consular documents, invoices, and so forth, and make reports of various characters. But the experience that I have had with people who utilize the State Department is that it is infinitely slow as compared with the service given by the Department of Commerce; and, Mr. Cannon, you know and I know that if you are going to transact business in these days you have got to transact it speedily, and when the people want it transacted, you can not wait until the other fellow sits down and writes a long report and files it six months later. That is the way some of those reports come in, and that is not business. I think that is a waste of your money.

Mr. CANNON. Do you not think we might well take measures to expedite that service and speed it up?

Mr. BRIGGS. We have been trying it for 125 years, and I think we have accomplished it to some extent. I think some of the provisions that have been put in the statutes with reference to the State Department have helped. But it has certainly not displaced the function of the Department of Commerce. I think its work has been exceedingly valuable to the people of the United States.

#### RELATION WITH AGRICULTURE DEPARTMENT

Mr. CANNON. Mr. BRIGGS, you would also say that the work of the representatives of the Department of Agriculture is equally important in this field?

Mr. BRIGGS. Mr. CANNON, there is nobody, I think, who is more in sympathy with agriculture than I am, because I come, as you know, from the greatest agricultural State in the Union. Missouri is a great one, too.

Mr. CANNON. I was going to ask that you qualify that statement.

Mr. BRIGGS. I am not going to challenge that. People say that it is the size of Texas that accounts for it. But, at any rate, I am deeply interested in agriculture, and I have no complaint to make on account of the efforts that are made to put experts in agriculture in different fields throughout the world to help our trade. What the results have been in that direction I am not so familiar with.

Mr. CANNON. They have been very satisfactory.

Mr. BRIGGS. I assume that, and I am not quarreling with it. If you want my vote in Congress for that service, you are going to get it, because anything that stimulates and promotes the trade of this country and helps us to get foreign markets and markets at home, to my mind, means more to the American people in the revival of trade and relief from this depression than almost anything else we can do.

Mr. CANNON. You think that foreign markets for our agricultural products are as important as foreign markets for our manufactured products?

Mr. BRIGGS. It is a part of the whole thing. I do not think you can separate agriculture. We ship our raw products, such as cotton, raw wheat, wool, and so forth, going out from our farms, but much of it goes out processed as well, in mill form. I have had close contact very frequently with the millers in Kansas and Oklahoma, who appeal to me very often for shipping facilities through the port of Galveston to move their products to various

ports of the world, particularly in South America and the West Indies.

Mr. OLIVER. I do not think there can be two opinions as to the importance of developing foreign markets for our farm products, and I assume that one of the problems that the next administration will have to solve is whether this can be done in a more economical and more efficient way than it has been done in the past. Whether you could efficiently develop foreign markets for our manufactured products and for our agricultural products through the same agency is a matter, of course, that will have to be determined in the future; and everyone feels that you must do it in a way that will bring the largest results.

Mr. BRIGGS. That is it. That is the test, Mr. Chairman. It is the way that brings the largest results to the people. It does not make any difference whether you say, "Here is a hundred thousand or two hundred thousand or five hundred thousand dollars over here to be handled by one agency, and four hundred thousand to be handled by another agency."

If they bring you in the returns that you expect, they have fulfilled their purpose; and if you combine them and put the two in one organization and cut their appropriation in two, or if you leave it as it was, and they do not yield the results, then it has been a failure.

I hope you gentlemen are not going to handicap the Bureau of Foreign and Domestic Commerce, and that you will allow it at least the same appropriation that you gave it last year.

So far as the expense of maintaining the Galveston office is concerned, I do not think it averages more than between five and six thousand dollars a year, because they have dismissed the leading clerk that they had there.

#### CONTACTS OF DISTRICT MANAGERS

I think there is a special thing to be said in favor of the contacts of the district managers themselves out in the field, because frequently people will not use the information made available through the Department of Commerce unless it is brought to them personally, and a lot of it never reaches the parties for whom it is really intended. The contacts that these representatives of the Government have made with the business interests have, to my mind, been of inestimable value.

I thank you.

Mr. OLIVER. Mr. BRIGGS has always manifested keen interest in our foreign trade, and no one in Congress is better qualified than he is to give accurate and helpful information to this committee; and I wish to express, Mr. BRIGGS, my personal appreciation for the very splendid statement that you have supplied to the committee to-day.

Mr. BRIGGS. I appreciate your kind expressions, Mr. Chairman.

#### EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made to-day.

Mr. GOSS. Reserving the right to object, will the gentleman include the colloquy he had with the gentleman from New York [Mr. BOYLAN] in that request?

Mr. BLANTON. I will not include anything except that which already goes in.

Mr. GOSS. The gentleman will not take those remarks out of the Record?

Mr. BLANTON. Certainly not. That would not be according to the rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### GENERAL WELFARE

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, I wish to briefly discuss my bill to create a department of general welfare. While it seeks only such appropriation as may be necessary, which would be small at first, it has not been my intention to urge its passage while we are in the midst of a fight to preserve our very national existence. I do not at all want it understood that I have decided that my bill is not meritorious. We are taking up much time on many bills not as good as mine, but this would not justify my urging that this bill be given precedence over real relief legislation which is so vital at this time. But let me first state briefly what I hope to accomplish by my bill.

It is the purpose of my measure to aid, encourage, and promote public gatherings, labor federations, farm organizations, organizations of war veterans and descendants of veterans, patriotic clubs, community gatherings, and other legal assemblies and organizations, so that all the people of the several States and Territories and of the District of



Columbia shall have larger educational, social, and recreational advantages in order to secure a better mental, physical, spiritual, moral, and patriotic development of the people and in order that the general welfare may be provided and promoted but without impairment of or the infringement upon the laws, the rights, duties, authority, or responsibilities of several States, Territories, and the citizens thereof, with respect not only to the public agencies and institutions mentioned and referred to in the bill but likewise as to all private institutions, agencies of said character in the several States and Territories and leaving to all the people the fullest and most complete religious liberty, unrestricted right of free speech, and most perfect freedom of conscience in the exercise of all constitutional rights.

In furtherance of the purposes of my bill the secretary of welfare provided for in the bill would immediately secure (a) any and all legal right or rights that may not now be owned by the United States Government to the fullest and most complete control of the sending and receiving of all radio communications within the United States, full authority to manage and control said radio communications to be vested in said secretary subject only to certain named exceptions; (b) sufficient motion-picture films of such a nature and standard as to encourage and promote the policy and purpose of the act to the end that all the people may be made stronger educationally, spiritually, morally, physically, and financially, enjoying wholesome, healthy, patriotic, instructive, and proper entertainment, becoming more sensible of the rights of each other and strengthened in their faith in constituted authority and their Government; and (c) such books, prints, maps, bulletins, other printed and written matter, and such equipment, apparatus, and paraphernalia as may be necessary to carry into effect the provisions of the act.

The bill also provides that the secretary shall make provision for supplying the executive, the legislative, and judicial branches of the Government such radio and film service as may be needed by them in the discharge of the duties and powers vested in them by law, and shall maintain for the Government and its branches the use of all radio communications and proper film or motion-picture service for the purposes of the act and for the whole people.

The department of general welfare under the bill would make available to and furnish whenever requested such motion-picture films and apparatus and such radio service as may be desired and approved by any and all public hospitals, orphans' homes, charitable organizations, community centers, patriotic organizations, and other organized gatherings in the United States. It is provided that no such film, motion-picture service, or radio service shall be inimical or antagonistic to the United States Government or the general welfare of the people thereof. The expense of producing and furnishing said films, motion-picture apparatus, and radio service shall be without cost to the people of the United States as patrons or users, and no admission charge shall be made when same are exhibited or used.

A State, county, city, or community may become an organization entitled to all the privileges and benefits of the act upon (a) electing or providing officials authorized to manage the entertainment and service herein provided and authorized to approve and select the class of moving pictures and radio service to be used and exhibited, and (b) providing suitable buildings or outdoor space with ample seating facilities for such exhibition and entertainment.

The bill also provides that the Department of General Welfare shall pay one-half the cost of school books, maps, and other equipment in all States which provide for the payment by the States of the other half of the cost of said maps, books, and equipment; the State authorities in all cases to select and approve the books, maps, and equipment to be used in such State.

The bill provides that the secretary shall confer and cooperate with the different departments of Government, the various State authorities, and any and all organizations mentioned therein as beneficiaries of said service, with a view and for the purpose of ascertaining what pictures and

radio service will be requested and how best to fully carry out the purposes of this act.

It is also provided that in the event it is impossible to supply all the service that may be demanded under the provisions of the bill, then the service shall be apportioned among the groups or organizations requesting same in accordance with the respective memberships or patrons thereof.

The bill would prevent commercial advertising over the radio within the United States or by motion pictures authorized or shown under the provisions of the act. Commercial communications or messages could not be transmitted over the radio, except upon approval of the Department of General Welfare and in such a way as not to interfere with the uses to which the radio service is sought to be dedicated by the bill.

Political organizations or parties would be entitled to the service sought to be authorized by the bill. Candidates would have the privilege of presenting their cause to the electorate fairly and as may appear just to the secretary after giving due consideration to class of office to which the candidate aspires and the number of people to be reached and the availability of the radio service without undue conflict with other purposes of the service provided in the bill.

In case full service can not be given to all activities mentioned, then preference would be given to activities of the Government and its various services and the proper entertainment of children and their parents.

Mr. Speaker, I am sponsoring this legislation because in my heart I feel that as Members of Congress we owe to the children of the country laws that will give them a chance to become good citizens, capable of maintaining this Government after those of us now in life shall have passed off this stage of action. I fear that there are influences now very dominant in our Nation which, to a large extent, nullify all the splendid teachings of our fathers and mothers and other friends of our children who wish to help them rather than exploit them.

It is now most evident that more and more the workingman is to have shorter hours of labor and less working days per week, thus having at his disposal more time with his family and more opportunity to enjoy with his folks splendid free, instructive, clean, elevating entertainment. It is my firm belief that my bill, if enacted into law, would be a blessing to all our citizens, and more especially the average man, who now must spend much money to entertain his family and yet not secure for them the high-class entertainment which all good fathers and mothers must desire for their children. I believe that my bill provides for a course of entertainment, instruction, and teaching which would lessen the number of criminals in our country so as to save enough cost from this source alone to many times pay all the expenses of the entire program.

Then again my bill provides for assistance to our public schools in the way of free school books and otherwise, which will be most beneficial to the poor people of our country. I shudder when I realize that at this very time our schools are about to be closed for the lack of sufficient funds.

Mr. Speaker, I always endeavor to approach all questions of legislation from the standpoint of the average individual, keeping in mind his every right and doing my best to help him in his fight for a living, for a home, and for the opportunity to raise his children and give them a chance in life.

I shall not now further discuss my bill to create a department of general welfare. I felt that it might not be amiss for me to put in the RECORD this brief statement concerning its purposes and provisions.

I do though want to make a few further observations concerning the matter of education and real relief of our people at this awful time. Uppermost in my mind all the while have been the children of our Nation and their fathers and mothers. While down in Georgia, to vote at the November election, I had several conferences with my good friend, Prof. Melvin Tanner, of Douglas, Ga., then superintendent of education of my county, and we decided that the Re-



construction Finance Corporation act should be amended so as to provide for loans to the teachers of our country or to the State, county, and municipal authorities so as to insure prompt payment to our teachers of their salaries which are so much needed by them at this time. This kind of legislation would be real relief, and I sincerely hope for its speedy enactment.

Senator GEORGE, of Georgia, has a bill now pending in the Senate for this much-needed relief to our teachers and our people generally. Hearings are now being held on his bill, and it is my sincere hope that it may be enacted at the earliest possible moment.

I am most anxious for the Reconstruction Finance Corporation act to be amended so that it will be directly helpful to the average citizen, our teachers, the farmers, the workingman, and the people generally. Some people say it can not be done, as the act was set up to handle loans only to the corporations. This is an erroneous idea. The War Finance Corporation act was geared up so as to help the corporations and through them help the poorest of the poor. This can be done if proper amendments are adopted to the Reconstruction Finance Corporation act.

This kind of legislation must be enacted if Congress is to do something worth while to help solve the awful questions which now besiege us from every standpoint.

I know I am repeating what I have said many, many times, but I am doing so for the sake of emphasis and with the hope that I can at last get enough to join me to pass some real legislation for the average man, the farmer, and the laboring man. Real relief must come to the masses of our people before there is any permanent solution of our present economic difficulties. In fact, the solution of all our problems is dependent upon the proper solution of the farmers' questions. Let us solve these, and all other questions will be much more easily determined. Let us strengthen the base before we add more to the already top-heavy superstructure of our Nation.

Agriculture, the basic industry of the Nation, is crumbling into ruin. It is disintegrating, and our Nation is endangered because the superstructure is entirely too heavy and not enough attention and consideration has been given to the base or foundation—our agricultural interest. If our once-splendid national economic structure is to endure, special, prompt, extensive, well-considered work must be done on the very foundation of all our national greatness; our independent, individual, home-loving farmers and people must be saved—the farmer must be put on an equality with other enterprises.

Thousands of ill-considered, half-baked, quack remedies are being offered. Most of these will do more harm than good. Even their consideration will interfere with proper handling of good measures. Both the big political parties have promised to put the farmer on a parity with those engaged in other lines of business. It will solve all the farmers' problems and bring back prosperity as nothing else will if Congress—made up of Democrats and Republicans—will keep this most solemn promise. It has not at all been kept so far.

In order for the farmer to be on equality with other folks, he must at least be enabled to name the price of what he sells as fully as others fix the prices of what is sold to the farmer; the farmer must be authorized and empowered to secure tax-free, circulating currency based on his property just as the banker now does on the same monetary base; the farmer must get the same tax exemptions—including a home and a reasonable amount of other property tax free—as are accorded the banks and others when they are permitted to subtract the amount of their debts from the value of their property and pay on the balance; and the farmer must receive other similarly fair legislative relief.

To my mind, the principles just stated encompass all of farm relief and real aid to those—all of us—who depend on the farmer for food, clothing, and the necessities of life.

Until some one shows me I am mistaken by his offering some better permanent farm relief plan, I pledge that I

shall fight to the limit for the monetization of farm lands and farm products; that I will do all I can to secure tax-free homes for our people; and that, so far as is within me, I shall contend for a contract system of farm relief, to enable the farmers to name the price of what they sell as fully as others name the price of what they sell to the farmers.

#### BANKRUPTCY LAWS

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McKEOWN. Mr. Speaker, many centuries of civilization intervene between the law of Kubla Khan that the creditor, by his ability to draw a mark around his debtor, could force the debtor to pay his debt before he could move across the mark or forfeit his life, and that of preventative compositions before bankruptcies.

For many years the laws of European countries have had a tendency to make provisions whereby honest debtors can escape the humiliation of a bankruptcy proceeding by entering into an arrangement with their creditors under the supervision of a court or some public authority.

In February of last year bills were introduced in the Senate by Senator HASTINGS, of Delaware, and Representative EARL MICHENER, of Michigan, in the House, containing many amendments to the present bankruptcy act. Hearings were held before the subcommittee of the Senate sitting with a like committee from the House. The hearings continued from April until the latter part of June, 1932.

It became apparent that the portions of the bills dealing with the numerous amendments to the bankruptcy act could not be considered at this Congress.

After investigating the laws of other countries my attention was directed to the "debtors' respite law" of Louisiana.

As to the purpose of the French law I found much enlightenment in the statement of Monsieur Lyon-Caen, professor of law in the Paris Faculty of Law, which is as follows (speaking of the purpose of the framers of the law):

In the first place—

He says—

they wished to protect the unfortunate and innocent debtor by affording him a means to escape from bankruptcy with the harsh consequences which it involves. In theory it might undoubtedly be said that a debtor is always at liberty to treat with his creditors, even in the absence of any declaration of bankruptcy. But in practice such arrangements are almost impossible, because in their formation the consent of all creditors is necessary, and there are always recalcitrant creditors, who either refuse their consent from malice or demand in return therefor advantages prejudicial to others.

The second purpose of the law is to protect the creditors against the exorbitant or even dishonest claims of others of their number. Liquidation, according to the provisions established by law on account of the expense and delay incident thereto, is sometimes ruinous to the creditors. It is often as desirable for them as for the debtor that there should be an arrangement by which the latter might himself liquidate his estate under agreed conditions. Finally the third object of the law is to encourage the debtor, who is on the verge of bankruptcy, not to wait as long as he frequently does before making known his true situation, and to endeavor to come to an arrangement with his creditors. The debtor who apprehends bankruptcy, in order to escape it, contracts ruinous loans or engages in speculation; then he calls his creditors together and seeks to conclude an arrangement which is nearly always impeded by some of them; to keep off the most exacting he pays them to the prejudice of the estate, and the most accommodating are not paid.

The actions brought against the debtor burden him with enormous expense and annihilate his credit. In spite of all, he does not escape bankruptcy, and numerous lawsuits are necessary to establish equality among the creditors in recovering the sums paid to the injury of the estate. It is hoped that when the debtor knows there exist some protective measures he will not wait so long and resort to these maneuvers, and that he will address himself as soon as possible to his creditors and endeavor to obtain, under the supervision of the court, a composition that will forestall bankruptcy.

This statement applies to the present bill.

On June 21, last, I introduced H. R. 12753, which contains the principle provisions of the debtors' respite law, and is in the main contained in section 74 of this bill. After



several conferences and meetings of the two subcommittees the Solicitor General, Hon. Thomas D. Thatcher, made the draft of section 74 by writing into the composition section of the present act the main provisions of H. R. 12753.

Section 75, in this bill, was originally contained in the bills introduced by Senator HASTINGS and Representative MICHENER. In the original bills section 75 included railroad reorganization with corporate reorganization.

In order to properly safeguard the public interest in the matter of the reorganization of railroads all reference to railroads was stricken from section 75 and a new section 76 was added, which is a bill introduced by Representative LA GUARDIA and offered as an amendment to this bill.

Section 73 places the jurisdiction in the bankruptcy courts to deal with debtors as well as bankrupts.

In my judgment there is a widespread misunderstanding among the legal fraternity as to what may or may not be done under the power vested in Congress by the Constitution under the provision "to establish uniform laws on the subject of bankruptcies throughout the United States." Strict constructionists in this country have contended that the word "bankruptcy," as used in the constitutional grant to Congress, should be limited in meaning to the narrow English sense, but the courts in an early period decided this clause was to be construed as giving power to Congress to adjust the affairs of all insolvent debtors. I refer you to the excerpts from the memoranda furnished by the able Solicitor General, contained in the report on the bill.

Congress has exercised its power to pass bankruptcy acts four times during the life of the Republic. The first act was passed in 1800 and repealed in 1803. The second act was passed in 1841 and repealed in 1843. The third act was passed in 1867 and was amended in 1874 and repealed in 1878. The fourth and last act was passed in 1898, and we have it with us yet.

The act of 1800 made provision for involuntary bankruptcy alone. No voluntary petition in bankruptcy could be filed under that act. Under the act of 1841 voluntary petitions could be filed by debtors. The right to offer compositions did not materialize until the act of June 22, 1874, which was an amendment to the bankruptcy act of 1867.

The constitutionality of this amendment was questioned because it was not necessary to be adjudged a bankrupt before offering composition. This contention was overruled by the courts. It would appear to me that inasmuch as the provision for extension of debts is in the composition section, and simply provides for the ultimate settlement by the debtor of his debts, in whole or in part, and permits the debtor himself to liquidate the debts instead of a trustee, that this bill lies within the constitutional power granted to Congress.

In 1843, Mr. Justice Catron, an Associate Justice of the Supreme Court, sitting in a case as circuit judge, in an opinion that was later incorporated in the Supreme Court Reports (42 U. S. (1 Howard) 277), said:

In considering the question before me I have not pretended to give a definition but purposely avoided any attempt to define the mere word "bankruptcy." It is employed in the Constitution in the plural and as part of an expression, "the subject of bankruptcies." The ideas attached to the word in this connection are numerous and complicated; they form a subject of extensive and complicated legislation; of this subject Congress has general jurisdiction; and the true inquiry is, to what limits is that jurisdiction restricted? I hold it extends to all cases where the law causes to be distributed the property of the debtor among his creditors; this is its least limit. Its greatest is the discharge of a debtor from his contracts. And all intermediate legislation, affecting substance and form, but tending to further the great end of the subject—distribution and discharge—are in the competency and discretion of Congress.

In the case of *Kunzler v. Kohaus* (5 Hill, 317) we find Judge Cowen said:

Looking thus at the uniform popular acceptance of the word from the earliest times and in all English countries, and supposing that to be the true one, I read the Constitution thus: "Congress shall have the power to establish uniform laws on the subject of any person's general inability to pay his debts throughout the United States."

It is the purpose of section 74 to provide a forum where individuals, partnerships, and other associations not incorporated, may apply for compositions or extensions of time in which to pay the whole or any part of their debts. Such applicant is denominated a "debtor" and not a "bankrupt," and this avoids the stigma of bankruptcy. He is a distressed debtor, and to be qualified to enter this forum he must be either insolvent or unable to meet his debts as they mature.

He may enter this forum voluntarily by petition, in which he sets out the names of his creditors, the amount due, and their post-office addresses, and therein list his assets, also presenting the plan or means by which he will undertake to liquidate in whole or in part his indebtedness and specifying the terms and extension of time which he requests be granted to him.

If before filing a petition he should be proceeded against by an insolvency petition in bankruptcy, then by way of answer he may make the same pleading as required in a petition, in which case he shall not be adjudged a bankrupt until and after proceedings are had under this session for extension of time or composition.

The petition shall be filed with a United States district court in the district in which the debtor is domiciled, as is required under the present bankruptcy laws. If the petition or answer is approved by the judge as having been properly filed, an order is made staying all foreclosures or other proceedings pending against the debtor or his estate upon such conditions as shall be proper for the protection of the estate against loss during the stay, which shall be in force until the first meeting of the creditors.

The petition or answer is then forwarded to the referee of the county in which the debtor resides, who causes notice to be given to the creditors, stating in the notice the terms of composition or extension, together with a brief statement of the assets and indebtedness of the debtor, including a list of secured creditors, with their addresses, and a list of the 15 largest unsecured creditors, and stating the time and place for the first meeting.

At the first meeting all creditors may participate, both secured and unsecured, and if they desire they may examine the debtor. At this meeting the creditors may submit a plan of composition or extension if they are unwilling to accept the debtor's plan, and they may nominate a trustee to be appointed by the court if liquidation of the estate should be necessary upon the failure of the plan. The referee, after consulting with parties in interest, may fix a reasonable time within which application for confirmation shall be made. He may later extend the time for cause shown and may require as a condition of such extension, additional terms for the protection of and indemnity against loss by the estate as may be proper. No plan shall be presented for confirmation unless it has been accepted by a majority in number of all creditors, including secured creditors and representing a majority in number of claims.

However, should a debtor fail to obtain the consent of a majority in number and amount of his creditors, including secured creditors, he still may file an application for an extension, if in his application he can show a feasible method of financial rehabilitation for himself and which would be for the best interest of all his creditors, including an equitable liquidation for the secured creditors whose claims are affected, and if upon a hearing the court is satisfied that the debtor has presented an equitable method for liquidation for the creditors whose claims are affected; that it is for the best interest of the creditors; that the debtor is acting in good faith and has not been guilty of any of the acts or failed to perform any of the duties which would be a ground for denying his discharge from bankruptcy, then the court may approve the extension of time notwithstanding the objections of a creditor.

The debtor, in his proposal, may ask for extension of time of the payment of debts to either secured or unsecured creditors. He may include provisions for payment on account and may provide for a creditors' committee to supervise his affairs and for the termination of such period under certain specified conditions.



If the extension proposal is accepted and confirmed, it shall be binding upon the debtor and his secured and unsecured creditors; but the extension or composition shall not impair the lien of any secured creditor, but shall affect only the time and method of its liquidation.

Upon the confirmation of an extension proposal the court may dismiss the proceeding or retain jurisdiction of the debtor and his property during the period of the extension in order to protect and preserve the estate and enforce the terms of the extension proposal.

The referee may, upon the application of the parties in interest, filed at any time within six months after the composition or extension proposal has been confirmed, set the same aside and reinstate the case, if it shall be made to appear upon a trial that a fraud was practiced in the procuring of such composition or extension, and that knowledge thereof has come to the petitioners since the confirmation thereof.

If the debtor shall fail to comply with the terms required of him for the protection of the estate as provided under this plan, or without any sufficient reason defaults in any payment required to be made under the terms of the extension, the court may appoint a trustee named by the creditors at the first meeting to take over the estate and liquidate it, except debtors engaged in farming or the tillage of the soil, unless they consent, and the court may adjudge the debtor a bankrupt if satisfied that he commenced or prolonged the proceeding for the purpose of delaying creditors and avoiding bankruptcy.

When the debtor has filed his petition or answer pleading for relief under this bill, then his property, wherever located, is subjected to the exclusive jurisdiction of the court in which the order approving the petition or answer is filed, and the court may stay all proceedings pending against the debtor in any court.

The fee for filing a petition under the provisions of the bill is \$5 and the compensation for the clerk is \$2. For the referee, if the total assets are \$10,000 or less, \$10, with a charge of \$5 for each \$5,000 of assets or fraction thereof that exceeds \$10,000. Provision is made for sufficient referees to be named to sit in convenient places to expedite the proceedings, and at least one shall be named in each county.

There is little that I can say that will clarify the procedure in sections 75 and 76 than that contained in the report of the bill, which I herewith call to your attention:

Section 75 deals with corporations, their debts, extension plans, and reorganizations, including drainage, irrigation, levee, sewer, or pavement improvement districts, established under the law of the State of their creation, but does not include interstate railroads, nor municipal, insurance, banking, or building and loan corporations.

The procedure under section 75 is similar to that under section 74 in so far as applicable to corporations. The plan of reorganization shall include a proposal to modify or alter the rights of creditors generally, or any class of them, secured or unsecured, through the issuance of new securities of any character, or otherwise. It may include proposals altering the rights of stockholders generally, or of any class of them. It shall provide adequate means for the execution of the plan, which may include the transfer of all or any part of the property of the debtor to another corporation or to other corporations, or the consolidation of the properties of the debtor with those of another corporation, and the issuance of securities of either the debtor or any such corporation or corporations, and may deal with all or any part of the property of the debtor. The judge may appoint a trustee or trustees who may operate the property pending a hearing within 30 days after the appointment of such trustee, at which time the debtor shall be required to file schedules and submit all information that is necessary to disclose the debtor's affairs and the fairness of any proposed plan.

A reasonable time shall be granted in which the claims of creditors and stockholders may be filed, after which time no such claims or interest may proceed in the plan except on order of the court for cause shown. For the purposes of the plan and its acceptance, creditors and stockholders are divided into classes according to the nature of their claims and interests, and shall be entitled to notice of all hearings for the consideration of any plan or of the dismissal of the proceeding, liquidation of the estate, allowance of fees or expenses, and a reasonable time shall be fixed by the judge for the acceptance of such a plan. If a proposed plan is not accepted or if it is accepted and is not confirmed the judge may dismiss the proceeding or direct the trustee to liquidate the estate as the interests of the creditors and stockholders may equitably require. If the proceeding is an involuntary proceeding

he shall not dismiss it except after a hearing upon notice to the creditors and stockholders. The judge shall allow reasonable compensation and reimbursement of expenses incurred in the proceeding, including reorganization. The judge may refer any matter to a special master who may be a referee in bankruptcy. Any creditor or stockholder shall be heard on the question of the appointment of any trustee and on the proposed confirmation of any plan, and may petition to intervene on any other question arising in the proceeding as may be determined by the judge.

If a plan has been approved by not less than 25 per cent in amount of any class of creditors and not less than 10 per cent in amount of all the creditors whose interests are affected, it may be proposed by the debtor, or by any creditor or stockholder, and after due notice may be considered, or any other plan similarly proposed may be considered.

The court shall not confirm a plan unless it is accepted in writing filed by or on behalf of creditors holding two-thirds of the amount of claims of each class whose claims or interests have been allowed and will be affected by the plan, unless the judge should determine that the debtor is insolvent. Adequate provision is made in this section for the protection of interests, claims, or liens of any class of creditors or stockholders who do not accept any plan that is approved. Any person in interest may object to the confirmation of the plan, and the judge shall not confirm the same unless the plan is equitable and does not discriminate unfairly in favor of any class of creditors or stockholders. Stockholders who do not accept the plan are entitled to realize the value of their equity, if any, either by a sale of the property at not less than a fair upset price or by appraisal and payment in cash of the value of the stock or the objecting stockholders may elect to take securities allotted to stockholders under the plan. Creditors who do not accept the plan will have adequate protection for the realization by them of the value of their liens or claims against the property of the debtor. Creditors are protected in the same manner as the objecting stockholders.

When a plan is confirmed, it is binding upon the corporation, the stockholders, all creditors whose claims are payable in cash under the plan, and upon all other creditors, secured and unsecured, entitled to priority whose claims are not payable in cash, provided of each class two-thirds thereof have accepted the plan in writing, and binding upon all other unsecured creditors, provided two-thirds have accepted the plan in writing. Secured creditors unwilling to accept the plan as to their rights and procedure are dealt with as heretofore stated with regard to stockholders unwilling to accept the plan.

After confirmation the property shall be transferred as in the manner provided in the plan free and clear of all claims of the debtor, stockholders, and creditors, except as may be reserved in the order directing the transfer and when the proceedings are terminated a final decree shall be entered discharging the debtor and closing the case.

If all or any part of the property of the petitioning corporation shall have been placed in the hands of a receiver in the Federal or State court, whether before or after this act takes effect, the corporation may nevertheless file a petition or answer under this section at any time, and if the petition or answer is approved and a trustee is appointed he shall be entitled forthwith to the possession of such property and the judge shall make such orders as will be equitable for the protection of the obligations incurred by the receiver and payment of reasonable administrative expenses and allowances in the previous proceedings as shall be fixed by the court appointing the receiver. If a Federal or State court shall appoint a receiver prior to the dismissal of the proceedings under this section, the judge may include in the order of dismissal appropriate orders directing the trustee to transfer possession of the debtor's property within the jurisdiction of the court to the receiver so appointed under such terms as the judge may deem equitable and necessary to take care of the obligations incurred by the trustee and the payment of administrative expenses and allowances in the proceedings.

The district courts of the United States, the Territories, and Supreme Court of the District of Columbia, the United States Court of Alaska, and the District Court of the United States for the Territory of Hawaii shall have jurisdiction to hear and determine cases arising under this section.

The court may stay all suits and proceedings until the question of the confirmation of the plan shall have been determined.

A certified copy of an order confirming the plan shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the order was made; and the recording of a certified copy of any order shall impart the same notice that a deed, if recorded, would impart.

The provisions of this amendatory act do not apply to proceedings in bankruptcy cases which are pending when it takes effect. The act shall take effect and be in full force from the date of its approval, and apply fully to corporations, their creditors and stockholders, secured and unsecured, whether the debts were incurred prior to such date or after such date.

Section 76 is entitled "Reorganization of Railroads Engaged in Interstate Commerce." Railroads are at this time excluded from the operation of the bankruptcy law. The necessity for the enactment of this section grows out of the present expensive, protracted, confusing, and inefficient administration of affairs of railroad companies engaged in interstate commerce in equity receiverships. The necessity for its immediate enactment results from the fact that at the present time many of the railroad organizations of the country confront the necessity of reorganization. They have reached the limit of their ability to borrow



from the Reconstruction Finance Corporation. They must either reorganize under some arrangement such as is provided for by this section, or be administered in equity receiverships. The protracted period of such administration, the duplication of expense incident to ancillary receiverships, the waste, the opportunity for manipulation on the part of special groups, are too well known to require comment.

This section provides that a railroad corporation engaged in interstate commerce may file a petition in the Federal court, stating that the railroad is either insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of reorganization. It is required that the judge shall ascertain that the petition is filed in good faith and complies with the provisions of this section, and upon such approval the judge procures jurisdiction of the debtor's property wherever located.

There is also provision made in the event the railroad company does not file such petition for the filing of a petition by 25 per cent in amount of any class of creditors and not less than 10 per cent of all creditors of such corporation, upon procuring the approval of the Interstate Commerce Commission.

Subdivision (b) permits the filing and consideration of practically any plan of reorganization. The general plan of this section is to utilize the expert knowledge of the Interstate Commerce Commission.

Subdivision (c) provides for appointment of a temporary trustee or trustees by the judge, recommended by the Interstate Commerce Commission. Permission for creditors to be heard is also provided in this section.

If a plan for reorganization is not proposed or accepted within such reasonable time as the judge may, upon cause shown, fix, or if proposed and accepted is not approved, shall dismiss the proceeding. The court may authorize, with the approval of the Interstate Commerce Commission, the trustee to sell certificates for new money which may be needed to provide reasonable compensation for specific expenses incurred.

It is provided that the President of the United States, by and with the advice and consent of the Senate, may appoint special referees to which it is contemplated matters arising under this section will be referred, who shall receive such compensation as shall be allowed them by such judge with the approval of the Interstate Commerce Commission, and are subject to general provisions of law regarding referees in bankruptcy except as to fees. This permits the building up of a group of men thoroughly informed in railroad reorganization matters.

There is a very broad provision for a hearing by any creditor or stockholder with regard to confirmation of any plan of reorganization, avoiding the necessity of the filing of a petition of intervention.

Subdivision (d) places the entire plan of reorganization under the jurisdiction, supervision, and control of the Interstate Commerce Commission. The commission may consider any and all plans presented to it. The corporation may present a plan of 25 per cent in amount of any class of creditors and not less than 10 per cent in amount of all the creditors whose claims may be affected by the plan may be proposed for consideration. Hearings are then held by the Interstate Commerce Commission on the various plans before it. The commission is then required to render a report in which it shall recommend a plan of reorganization which it shall find equitable, financially advisable, and compatible with the public interest. The section specifically provides that the plan recommended by the commission may be one of several plans presented, a modification of any, or an entirely new plan of the commission. The plan is then presented to the stockholders and creditors for acceptance by them.

Subdivision (e) provides for the transmittal by the commission to the court after it has been accepted in writing by or on behalf of creditors holding two-thirds in amount of the claims of each class whose claims or interests have been allowed and would be affected by the plan. This acceptance is also required by two-thirds of the stockholders unless, of course, the corporation has been found to be insolvent. If a class of creditors or stockholders are provided for by proper protection of their interests as herein-after discussed, such class need not accept.

Subdivision (f) provides for the final approval of the plan by the Interstate Commerce Commission and, after such approval, for the certification of the plan to the court for its approval. After the acceptance is filed with the commission the proceedings are reopened for the purpose of considering the accepted plan. The commission is required to make certain specific findings. At this stage of the proceedings the commission exercises its powers under section 20a of the interstate commerce act on the approval of issuance of securities necessary in the reorganization. This obviates the necessity of the matter coming back to the commission after final approval by the court, which is only on the record, and at the same time retains an absolute and complete control of the reorganization in the Interstate Commerce Commission of the plan recommended and approved by it.

The commission is given the power to fix maximum compensation to reorganization managers, officers, parties in interest, committees, or other representatives of stockholders for services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and plan.

This should definitely put a stop to the wholesale plundering by reorganization managers, both by way of fees and for commissions covering new securities.

The section provides that where two-thirds of a class of creditors accept the plan, then the plan is binding upon that particular class of creditors and the minority must accept the new securi-

ties issued under the plan of reorganization. This is fair because all the minority of a particular class should expect is that a fair and equitable plan be devised and if the plan is fair then all they are entitled to is equal participation in the new securities. The bill provides adequate machinery for the development of a fair and equitable plan.

In case the acceptance can not be secured of two-thirds of a particular class of creditors that particular class of creditors is not required to accept new securities under the plan. In such a case provision has been made for the adequate protection of their interests. The plan must provide one of three alternatives:

(1) That the sale of such property is subject to such liens. If this alternative is provided the rights of the particular class of creditors are not disturbed but the property is merely taken subject to that lien.

(2) That by the sale free of such liens at not less than a fair upset price and the transfer of such liens to the proceeds of the sale. If this alternative is exercised the particular class of creditors would be in exactly the same position had the property gone through receivership proceeding and the property sold at a fair upset price to the reorganized company with the further protection that the fair upset price is to be fixed by the commission. Under present practices the fair upset price is usually determined by the majority and approved by the court.

(3) By appraisal and payment in cash of the value either of such liens or at the objecting creditors' election of the securities allotted to such liens under the plan. If the plan provides for alternate (3), the creditors have the election of obtaining an appraisal and payment in cash of the old securities or the new securities allotted under the plan.

A similar method is provided for dealing with stockholders. In case there is no finding of insolvency, the bill contemplates that the assent to the plan of two-thirds of each class of stockholders, whether that class be either preferred or common stock. In case this acceptance can not be secured of a particular class, either common or preferred stockholders or both, then it is provided that their acceptance is not required if the plan makes adequate provision for their protection. Two alternatives are provided for dealing with classes of stockholders who refuse to accept, somewhat similar to that provided for creditors. Alternate (1) with reference to creditors is not applicable, of course, to stockholders, and the bill does not provide this alternate method; but alternates (2) and (3) with reference to creditors are used in dealing with classes of stockholders.

Subdivision (g) provides for the necessary court of review. The commission transmits the approved plan, its findings, and the record to the court. The court's review must be based upon the record made before the commission. This is specifically so provided to avoid new hearings or a commencement of the proceedings di novo by the court on the plan. Upon approval by the judge on the said record the plan shall be final and binding upon all parties interested and concerned. The approval of the plan by the court shall discharge the debtor from its debts except as provided in the plan. If the judge disapproves the plan, he is required to file his reasons for such disapproval.

Subdivision (h) exempts new issues, transfers, or exchange of securities necessary to carry out the reorganization from the provisions of the revenue act of 1932. While the committee has no jurisdiction over revenue matters, it felt that the reorganization of the railroads was of such national necessity at this time that it could consider the suggestion of exempting such issues and transfers of stock from the stamp tax of the revenue act. As the new issues will be mostly in lieu of retired certificates and the transfers of existing outstanding certificates simply a matter of exchange to carry out the scope of the reorganization, exemption of such taxation will be of great benefit to the reorganization and of not substantial loss to the Treasury.

Subdivision (i) provides merely for a summary method of transfer of properties which may be affected by the plan; and subdivision (j) makes the act applicable to Federal or State receiverships now pending.

Subdivision (k) provides that pending claims may be stayed during the procedure under reorganization; subdivisions (l), (m), (n), and (o) are formal, defining terms and regulating minor questions of procedure.

It is the purpose of this bill to bring the exercise of the bankruptcy powers more in line, from a practical and helpful standpoint, with the necessities and interest of both distressed debtors and of creditors and to reduce the expense and delay of administration. The plan of the bill is to enlarge and facilitate, as far as is consistent with the rights of all parties in interest, the opportunities for amicable adjustment between debtor and creditor, for rehabilitation and reorganization. While this bill has been framed with due regard for the present and immediately prospective unusual economic conditions, it is believed that an expansion of the opportunity for amicable adjustment by debtor and creditors under supervision and protection of bankruptcy courts and for holding the property of the debtor intact with its operation disturbed as little as practicable, such as is provided for in this bill, will prove itself to be of permanently helpful assistance both to distressed debtors and to creditors and in line with the public interest.

I wish to acknowledge my indebtedness for the assistance rendered me by the Solicitor General, Judge Thomas D. Thacher; Mr. Robert Cook, of Boston, Mass.; Mr. Paul H. King, of Detroit, Mich.; Professor Berle of Columbia Uni-



versity; Mr. Edward Hirsh of Oklahoma City, Okla.; Mr. Max Isaac, editor of the American Bankruptcy Review, New York City; Mr. Godfrey Goldmark, New York City; Mr. Isaac Taylor, Oklahoma City, Okla.; Mr. R. L. Beezley, of Salt Lake City; Mr. C. O. Abbott, Martinsville, Ind.; Mr. F. E. Riddle, of Tulsa, Okla.; Mr. U. S. Hart, of Shawnee, Okla.; Mr. A. L. Orberdorfer, Birmingham, Ala.; Mr. C. C. Moody, Indianola, Miss.; Judge John L. Ingram, Stuttgart, Ark.; Mr. Wm. R. Watkins, Fort Worth, Tex.; Mr. Herman H. Oppenheimer, New York City, N. Y.; Mr. William H. O'Brien, New York City; Mr. Harold Remington, New York City; Mr. W. Randolph Montgomery, New York City; Mr. Horace W. Leeds, Philadelphia, Pa.; Mr. W. F. McLaury, Oklahoma City, Okla.; and Mr. Carlton W. Waller, New York City.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HARE, indefinitely (at the request of Mr. McMILLAN), on account of important business.

#### IMPORTATIONS FROM FOREIGN COUNTRIES

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for two minutes, to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER. Mr. Speaker, I am pleased to announce that sufficient signatures have been obtained to discharge the Ways and Means Committee from the consideration of the bill H. R. 8557, the Crowther bill, designed to protect American markets from invasion and destruction by floods of importations from foreign countries whose currencies have depreciated. [Applause.]

#### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 14436. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 212. An act for the relief of Messrs. Short, Ross, Shaw, and Mayhood;

S. 213. An act authorizing adjustment of the claim of Kenneth Carpenter;

S. 219. An act authorizing adjustment of the claims of Oren Wheatley, Kenneth Blaine, and Joseph R. Ball;

S. 252. An act authorizing adjustment of the claim of Johnson & Higgins; and

S. 563. An act for the relief of George T. Johnson & Sons.

#### ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 12 minutes p. m.) the House adjourned until Monday, January 30, 1933, at 12 o'clock noon.

#### MOTION TO DISCHARGE COMMITTEE

JANUARY 28, 1933.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of Rule XXVII, I, JOHN C. SCHAFER, move to discharge the Committee on Ways and Means from the consideration of the bill (H. R. 8557) entitled "A bill to equalize tariff duties by compensating for depreciation in foreign currencies," which was referred to said committee January 28, 1932, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. JOHN C. SCHAFER.  
2. ROY O. WOODRUFF.

3. JOHN D. CLARKE.  
4. C. B. MCCLINTOCK.

5. GUY E. CAMPBELL.
6. W. R. COYLE.
7. CHESTER C. BOLTON.
8. FRANCIS SEIBERLING.
9. E. W. GOSS.
10. HARRY L. ENGLEBRIGHT.
11. CARL G. BACHMANN.
12. JOE CRAIL.
13. DAVID HOPKINS.
14. ALBERT E. CARTER.
15. F. C. LOOFBOUROW.
16. CHARLES E. SWANSON.
17. JOHN W. SUMMERS.
18. O. B. LOVETTE.
19. JAMES WOLFENDEN.
20. GEORGE F. BRUMM.
21. JAMES G. STRONG.
22. MENALCUS LANKFORD.
23. CYRENUS COLE.
24. FRANK CLAGUE.
25. G. J. BOILEAU.
26. FLORENCE KAHN.
27. MALCOLM BALDRIGE.
28. GARDNER R. WITHROW.
29. FRANK MURPHY.
30. RALPH A. HERR.
31. SAMUEL S. ARENTZ.
32. E. H. WASON.
33. ROBERT L. DAVIS.
34. ROYAL C. JOHNSON.
35. I. H. DOUTRICH.
36. DON B. COLTON.
37. GEORGE P. DARROW.
38. NATHAN L. STRONG.
39. MILTON W. SHREVE.
40. H. F. NIEDRINGHAUS.
41. CLYDE KELLY.
42. WILLIAM A. PITTENGER.
43. SCOTT LEAVITT.
44. JOHN G. COOPER.
45. A. M. FREE.
46. JOHN C. ALLEN.
47. J. HOWARD SWICK.
48. CHARLES ADKINS.
49. THOMAS HALL.
50. AUGUST H. ANDRESEN.
51. FRED S. PURNELL.
52. EDITH NOURSE ROGERS.
53. PETER A. CAVICCHIA.
54. DONALD F. SNOW.
55. THOMAS C. COCHRAN.
56. MELVIN J. MAAS.
57. U. S. GUYER.
58. WILLIAM R. EATON.
59. WILLIAM E. HESS.
60. C. E. HANCOCK.
61. FRED W. MAGRADY.
62. CHARLES A. KADING.
63. JESSE P. WOLCOTT.
64. HOWARD W. STULL.
65. HAROLD KNUTSON.
66. HUBERT H. PEAVEY.
67. M. C. GARBER.
68. JOSEPH F. BIDDLE.
69. CHARLES FINLEY.
70. A. PIATT ANDREW.
71. WILLIAM E. HULL.
72. OSCAR DE PRIEST.
73. JOSEPH W. MARTIN.
74. ADDISON T. SMITH.
75. FRED A. HARTLEY.
76. DAVID HOGG.
77. CHARLES D. MILLARD.
78. FRANK L. BOWMAN.
79. CHARLES L. GIFFORD.
80. EDMUND F. ERK.
81. JAMES M. BECK.
82. W. G. ANDREWS.
83. C. H. MARTIN.
84. J. H. SINCLAIR.
85. J. WILL TAYLOR.
86. BURTON L. FRENCH.
87. HENRY E. BARBOUR.
88. GEORGE J. SCHNEIDER.
89. HARRY C. RANSLEY.
90. ROBERT G. HOUSTON.
91. GUY U. HARDY.
92. WILLIAM R. JOHNSON.
93. ERNEST W. GIBSON.
94. JOHN E. WEEKS.
95. JOHN E. NELSON.
96. DANIEL A. REED.
97. C. ELLIS MOORE.
98. HOMER W. HALL.
99. J. ROLAND KINZER.
100. JOHN L. CABLE.
101. L. C. DYER.
102. F. M. DAVENPORT.
103. GRANT E. MOUSER.
104. ROBERT H. CLANCY.
105. C. A. CHRISTOPHERSON.
106. WILLIAM WILLIAMSON.
107. ALLEN T. TREADWAY.
108. HARCOURT J. PRATT.
109. RUTH PRATT.
110. JOHN TABER.
111. RANDOLPH PERKINS.
112. L. T. MCFADDEN.
113. GEORGE HOLDEN TINKHAM.
114. ROBERT L. BACON.
115. HENRY W. WATSON.
116. DONALD B. PARTRIDGE.
117. CARL R. CHINDBLOM.
118. EDWARD L. STOKES.
119. ROBERT G. SIMMONS.
120. JAMES A. FREAR.
121. C. F. CURRY.
122. FRANK P. BOHN.
123. B. M. CHIPERFIELD.
124. H. W. TEMPLE.
125. SEYMOUR H. PERSON.
126. W. E. EVANS.
127. O. B. BURNETT.
128. R. B. WIGGLESWORTH.
129. LINDLEY H. HADLEY.
130. FRED A. BRITTEN.
131. C. M. TURPIN.
132. WILLIAM P. HOLADAY.
133. PEHR G. HOLMES.
134. A. D. SANDERS.
135. JOHN B. HOLLISTER.
136. HARRY A. ESTEP.
137. W. I. NOLAN.
138. JAMES L. WHITLEY.
139. CARROLL L. BEEDY.
140. HUGH IKE SHOTT.
141. CONRAD G. SELVIG.
142. CHARLES B. TIMBERLAKE.
143. LLOYD THURSTON.
144. HAMILTON FISH, Jr.
145. KENT E. KELLER.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, January 28, 1933.



## COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, January 30, 1933, as reported to the floor leader:

## WAYS AND MEANS

(10 a. m.)

Continue hearings on depreciated currency bill.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

893. A letter from the Secretary of the Treasury, transmitting report on the War Finance Corporation (in liquidation) covering the period from January 1, 1932, to December 31, 1932 (H. Doc. No. 534); to the Committee on Banking and Currency and ordered to be printed.

894. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, pursuant to the rivers and harbors act approved July 3, 1930, on preliminary examination and survey of channel from Rhodes Point to Tylerton, Smith Island, Md.; to the Committee on Rivers and Harbors.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McCORMACK: Committee on Ways and Means. H. R. 12328. A bill to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany; with amendment (Rept. No. 1936). Referred to the House Calendar.

Mr. COLLIER: Committee on Ways and Means. H. R. 14416. A bill to make the Federal gasoline tax effective until June 30, 1934; with amendment (Rept. No. 1937). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H. R. 13745. A bill to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto; with amendment (Rept. No. 1938). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 5070. A bill to authorize the Secretary of the Interior to lease concessions on reservoir sites and other lands in connection with Indian irrigation projects; with amendment (Rept. No. 1939). Referred to the Committee of the Whole House on the state of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McSWAIN (by request): A bill (H. R. 14477) to repeal the proviso contained in the act of Congress approved February 20, 1931 (Public, No. 692, 71st Cong.), to revive certain acts of Congress repealed by the said proviso of the act approved February 20, 1931, and for other purposes; to the Committee on Military Affairs.

By Mr. McFADDEN. A bill (H. R. 14478) to authorize the Comptroller of the Currency to examine the operations of certain dealers in securities, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H. R. 14479) to authorize the Comptroller of the Currency to examine and report on the condition of Federal reserve banks; to the Committee on Banking and Currency.

By Mrs. WINGO: A bill (H. R. 14480) to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: A bill (H. R. 14481) to amend the act of May 22, 1928, entitled "An act to authorize the collection in monthly installments of indebtedness due the United

States from enlisted men, and for other purposes"; to the Committee on Military Affairs.

By Mr. GREGORY: A bill (H. R. 14482) to authorize the granting of Federal aid in the construction of certain highways leading to toll bridges, and for other purposes; to the Committee on Roads.

By Mr. HILL of Alabama: A bill (H. R. 14483) to amend section 201 of the emergency relief and construction act of 1932 to provide for certain loans by the Reconstruction Finance Corporation to aid in the support and maintenance of public schools; to the Committee on Banking and Currency.

By Mr. ALMON: A bill (H. R. 14484) granting the consent of Congress to the Highway Department of the State of Alabama to construct, maintain, and operate a free highway bridge across Elk River between Lauderdale and Limestone Counties, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. COCHRAN of Missouri: A bill (H. R. 14485) to amend section 215 of the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, approved June 30, 1932; to the Committee on Expenditures in the Executive Departments.

By Mr. BANKHEAD: A bill (H. R. 14486) to authorize the purchase by the Government of silver, to provide for the issuance of silver certificates in payment therefor, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. WHITTINGTON: A bill (H. R. 14487) to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to \$7,500 per annum; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 14488) to reduce and adjust the clerk hire of Representatives, Delegates, and Resident Commissioners; to the Committee on Expenditures in the Executive Departments.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 14489) relating to the construction of a Federal building at Mangum, Okla.; to the Committee on Public Buildings and Grounds.

## MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Minnesota, memorializing Congress to properly protect the owners of farm-wood lots and American workmen in industries facing unfair competition resulting from the depreciation of foreign currencies; to the Committee on Ways and Means.

By Mr. SELVIG: Memorial of the Legislature of the State of Minnesota, memorializing Congress to protect the owners of farm-wood lots and American workmen in industries facing unfair competition resulting from the depreciation of foreign currencies; to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 14490) granting a pension to Donnie E. Moreland; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 14491) for the relief of William E. Bosworth; to the Committee on Claims.

Also, a bill (H. R. 14492) granting an increase of pension to Sarah A. Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14493) granting an increase of pension to Violet S. Woodward; to the Committee on Invalid Pensions.

By Mr. McCORMACK: A bill (H. R. 14494) for the relief of John E. Ziniti; to the Committee on Naval Affairs.

By Mr. MILLIGAN: A bill (H. R. 14495) for the relief of Claude Benard Wilson; to the Committee on Claims.

By Mr. STALKER: A bill (H. R. 14496) granting an increase of pension to Lizzie O. Stearns; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 14497) for the relief of Alena Barger; to the Committee on Claims.



By Mr. WELCH: A bill (H. R. 14498) granting a pension to Thomas Hamilton Peckham; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9986. By Mr. BACON: Petition of sundry citizens of Long Island, N. Y., urging favorable action on joint resolution proposing an amendment to the Constitution eliminating the count of aliens for apportionment purposes; to the Committee on the Judiciary.

9987. By Mr. BOYLAN: Resolution adopted by the Brooklyn Chamber of Commerce, Brooklyn, N. Y., on war debts; to the Committee on Foreign Affairs.

9988. By Mr. BURDICK: Petition of James S. O'Brien, Henry Kunz, and John Good, of Newport; William D. Eddy, of Jamestown; Alva F. Weaver, of Middletown; Charles E. Whitford, of Riverside; and George E. Purdy, of Providence, all of the State of Rhode Island, in which 358 citizens of Rhode Island respectfully request that in the consideration and action on pension legislation for the veterans of any war in which the United States may have been engaged no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on Pensions.

9989. Also, letter of Mrs. E. S. Latimer, of 27 Taber Avenue, Providence, R. I., opposing the recognition of Soviet Russia by the United States; to the Committee on Foreign Affairs.

9990. By Mr. CLARKE of New York: Petition of F. M. Conlon, superintendent Presbyterian Sunday School of Hancock, N. Y., requesting that instead of legalizing beer and repealing or modifying the eighteenth amendment that their United States Senators, their Congressmen at large, and their own Congressman vote for adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9991. Also, petition of Grace Fox, president Home Missionary Society of the Methodist Episcopal Church of Hancock, N. Y., requesting that instead of legalizing beer and repealing or modifying the eighteenth amendment that their United States Senators, their Congressmen at large, and their own Congressman vote for adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9992. Also, petition of Flora E. Lipp, chairman Baptist Church of Hancock, N. Y., requesting that instead of legalizing beer and repealing or modifying the eighteenth amendment that their United States Senators, their Congressmen at large, and their own Congressman vote for adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9993. Also, petition of Margaret West, superintendent Hancock Baptist Church School, Hancock, N. Y., requesting that instead of legalizing beer and repealing or modifying the eighteenth amendment that their United States Senators, their Congressman at large, and their own Congressman vote for adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9994. By Mr. CONDON: Petition of Albert E. Whitaker, Elmer A. Wade, John W. Burke, Alfred South, and 201 other citizens, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9995. Also, petition of John F. Dowling, Elston H. Beede, and 286 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9996. Also, petition of William E. Arnold, James D. King, and 202 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial

to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9997. By Mr. DELANEY: Petition of the New York State Builders' Branch of the Associated General Contractors of America (Inc.), opposing House bill 9921, requiring general contractors to name their subcontractors and material men in their bids on Government work; to the Committee on Expenditures in the Executive Departments.

9998. Also, petition of the Amateur Cinema League (Inc.), of New York, urging the return of the 2-cent rate for first-class mail; to the Committee on Ways and Means.

9999. Also, petition of the Sapolin Co. (Inc.), of New York, protesting against amendment C to House bill 13991, levying a duty of 5 cents per pound on vegetable oils and fats; to the Committee on Ways and Means.

10000. Also, petition of John McQuade & Co. (Inc.), of Brooklyn, N. Y., opposing the domestic allotment bill, H. R. 13991; to the Committee on Agriculture.

10001. By Mr. FULMER: Concurrent resolution requesting the Congress of the United States of America to amend the law creating the Reconstruction Finance Corporation in order that States and subdivisions thereof may borrow directly money to meet the need of the said States and subdivisions thereof; to the Committee on Banking and Currency.

10002. By Mr. GARBER: Petition of the members of the Martin Farm Loan Association, of Buffalo, Okla., urging enactment of legislation to relieve the distressed condition of the farmers facing mortgage-foreclosure proceedings and dispossession of their homes; to the Committee on Banking and Currency.

10003. By Mr. GILLEN: Petition of members of Presbyterian Church of Greencastle, and of Methodist Church of Crawfordsville, Ind., protesting action against repeal of eighteenth amendment and legalization of beer; to the Committee on the Judiciary.

10004. Also, petition of John H. Suttle, secretary-treasurer district 11, United Mine Workers of America, Terre Haute, Ind., asking relief for 10,000 coal miners of Indiana; to the Committee on Interstate and Foreign Commerce.

10005. By Mr. LAMBERTSON: Petition of M. M. Murrell, of Meriden, president of the Jefferson County Ministerial Association, and O. W. Tate, of Nortonville, Kans., secretary of the association, favoring the improvement of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10006. By Mr. LINDSAY: Petition of I. Rokeach & Sons (Inc.), Brooklyn, N. Y., opposing oils and fats tax in domestic allotment bill, H. R. 13991; to the Committee on Agriculture.

10007. Also, petition of Federal Bar Association of New York City, opposing passage of House bill 14359, the bankruptcy bill; to the Committee on the Judiciary.

10008. Also, petition of Amateur Cinema League (Inc.) of New York City, favoring the return of the 2-cent first-class postage; to the Committee on Ways and Means.

10009. Also, petition of Sapolin Co. (Inc.), of New York City, opposing oils and fats tax in domestic allotment bill, H. R. 13991; to the Committee on Agriculture.

10010. Also, petition of New York State Builders' Branch, Associated General Contractors of America (Inc.), Utica, N. Y., opposing the passage of House bill 9921; to the Committee on Expenditures in the Executive Departments.

10011. Also, petition of the Silk Association of America (Inc.), New York City, referring to House bill 14105; to the Committee on Labor.

10012. By Mr. McFADDEN: Petition of Farmers Mutual Fire Insurance Co. of Tuscarora, Spring Hill, Wyalusing, Pa., favoring the restoration of the price level of agricultural products; to the Committee on Agriculture.

10013. By Mr. MAPES: Resolution of the Board of Supervisors of Kent County, Mich., requesting that Congress begin within 30 days, with war-time rapidity, construction of national public works of sufficient size to employ all unemployed labor at fair wages, to be financed by any or all of



the three ways, namely, gas tax, bonding, and, if necessary, a limited and controlled currency inflation, or provide some other suitable solution, etc.; to the Committee on Ways and Means.

10014. By Mr. RUDD: Petition of the World's Poultry Science Association, Ithaca, N. Y., favoring the participation of the United States in the Fifth World's Poultry Congress to be held in Rome in 1933, and for the necessary appropriation; to the Committee on Foreign Affairs.

10015. Also, petition of Sapolin Co. (Inc.), New York, opposing the oils and fats tax in the domestic allotment bill, H. R. 13991; to the Committee on Agriculture.

10016. Also, petition of the Silk Association of America (Inc.), New York City, referring to the Connery bill, H. R. 14105; to the Committee on Labor.

10017. Also, petition of New York State Builders Branch, Utica, N. Y., opposing the passage of House bill 9921, the Goss bill; to the Committee on Expenditures in the Executive Departments.

10018. By Mr. SELVIG: Petition of the Woman's Christian Temperance Union of Thief River Falls, Minn., urging establishment of a motion-picture commission for Federal regulation of motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10019. By Mr. STALKER: Petition of 400 members of the churches of Painted Post, N. Y., signed by the following secretaries of classes: John Griswold, Men's Bible Class of the Baptist Church; Mrs. Whiley, Ever Ready Class of the Methodist Episcopal Church; Mary Mills, Hamilton Circle, Woman's Christian Temperance Union; and George Randall, Men's Bible Class, Methodist Episcopal Church, protesting against the return of beer and the repeal of the eighteenth amendment; to the Committee on the Judiciary.

10020. Also, petition of Effie L. Courtright and 25 other residents of Lowman, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10021. Also, petition of Mrs. John Hamilton and 50 other citizens of Horseheads, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10022. Also, petition of Mrs. L. A. Van Arnham and 50 other residents of Millport, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10023. Also, petition of Emma Cooper and 25 other residents of Chemung, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10024. Also, petition of 500 citizens of Elmira, N. Y., and vicinity, opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10025. By Mr. THURSTON: Petition signed by 177 citizens of Taylor County, Iowa, protesting against the modification or repeal of existing prohibition laws; to the Committee on the Judiciary.

## SENATE

MONDAY, JANUARY 30, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 14363) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes, in which it requested the concurrence of the Senate.

### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 212. An act for the relief of Messrs. Short, Ross, Shaw, and Mayhood;

S. 213. An act authorizing adjustment of the claim of Kenneth Carpenter;

S. 219. An act authorizing adjustment of the claims of Orem Wheatley, Kenneth Blaine, and Joseph R. Ball;

S. 252. An act authorizing adjustment of the claim of Johnson & Higgins;

S. 563. An act for the relief of George T. Johnson & Sons; and

H. R. 14436. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

### CALL OF THE ROLL

The VICE PRESIDENT. The Senator from Tennessee [Mr. McKELLAR] has the floor on the unfinished business.

Mr. FESS. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Tennessee yield for that purpose?

Mr. McKELLAR. If I may do so without losing the floor.

The VICE PRESIDENT. The Senator will not lose the floor if he yields for that purpose.

Mr. McKELLAR. Very well.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|           |           |                |               |
|-----------|-----------|----------------|---------------|
| Ashurst   | Cutting   | Kendrick       | Schuyler      |
| Austin    | Dale      | Keyes          | Sheppard      |
| Bankhead  | Davis     | King           | Shipstead     |
| Barbour   | Dickinson | La Follette    | Shortridge    |
| Barkley   | Dill      | Logan          | Smoot         |
| Bingham   | Fess      | Long           | Steiwer       |
| Black     | Fletcher  | McGill         | Stephens      |
| Blaine    | Frazier   | McKellar       | Swanson       |
| Borah     | George    | McNary         | Thomas, Idaho |
| Bratton   | Glass     | Metcalf        | Thomas, Okla. |
| Brookhart | Glenn     | Moses          | Townsend      |
| Broussard | Gore      | Neely          | Trammell      |
| Bulkley   | Grammer   | Norbeck        | Tydings       |
| Bulow     | Hale      | Norris         | Vandenberg    |
| Byrnes    | Harrison  | Nye            | Wagner        |
| Capper    | Hastings  | Oddie          | Walcott       |
| Caraway   | Hatfield  | Pittman        | Walsh, Mass.  |
| Carey     | Hawes     | Reed           | Walsh, Mont.  |
| Connally  | Hayden    | Reynolds       | Watson        |
| Coolidge  | Howell    | Robinson, Ark. | Wheeler       |
| Copeland  | Hull      | Robinson, Ind. | White         |
| Costigan  | Johnson   | Russell        |               |
| Couzens   | Kean      | Schall         |               |

Mr. FESS. I desire to announce that the Senator from Missouri [Mr. PATTERSON] is detained by reason of a death in his family. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

### SENATOR FROM VERMONT

Mr. AUSTIN presented the credentials of PORTER H. DALE, chosen a Senator from the State of Vermont for the term commencing on the 4th of March, 1933, which were read and ordered to be placed on file, as follows:

#### STATE OF VERMONT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, PORTER H. DALE was duly chosen by the qualified electors of the State of Vermont a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Stanley C. Wilson, and our seal hereto affixed at Montpelier, this 12th day of January, A. D. 1933.

STANLEY C. WILSON, Governor.

By the governor:  
[SEAL.]

RAWSON C. MYRICK,  
Secretary of State.